# Herald INTERNATIONAL Tribune

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TODAY: LEISURE Christmas Grab Bag, Page 12

# 'Historic Moment' For IRA and U.K.

## *Slogans Aside, Blair and Adams Make Progress at Downing Street*

By Warren Hoge
*New York Times Service*

LONDON — Gerry Adams, the Northern Irish nationalist leader, went to No. 10 Downing Street on Thursday and emerged from an hourlong meeting with Prime Minister Tony Blair saying, "*Usually moments in Anglo-Irish relationships in* history are bad, but today was a significantly good moment."

Standing with his aides before the black door with the golden No. 10 on it, the leader of Sinn Fein, the political wing of the Irish Republican Army, said that the visit, while obviously highly symbolic, had afforded the two sides a discussion in which they really "engaged."

"We certainly had the opportunity to put forward our view that all the hurt and grief and pain and division that has come from British involvement in Irish affairs has to end," he said.

The meeting was not, he said, "one where we put up our stock positions and Mr. Blair puts up his stock positions."

A spokesman for Mr. Blair later agreed, saying that the session, which he called "constructive and positive," had gone beyond "people chanting mantras and slogans."

He said the prime minister had sought and received from Mr. Adams a statement of his commitment to nonviolence. "It is important that I can look you in the eye and hear you say that you remain committed to peaceful means," the spokesman quoted Mr. Blair as saying.

Mr. Blair told his visitors that if there were a return to violence, "we waste the best possibility for peace that we have had for a generation."

The IRA renewed a lapsed cease-fire on July 20 and in September gained entry to the all-party peace talks now

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Adam Butler/The Associated Press

Gerry Adams speaking outside No. 10 Downing Street on Thursday before his meeting with Tony Blair.

# Seoul Is Rebuffed on Aid; Asia Markets Fall Further

## *Won Plunges Anew In Rush for Dollars*

By Andrew Pollack
*New York Times Service*

SEOUL — Turmoil reigned in South Korea's markets Thursday as its currency continued its free fall and an attempt to entice overseas investors into its stock market began with a thud.

It took only minutes after trading opened for the won to fall its maximum allowable amount, the fourth consecutive day it has dropped so much. The dollar rose 10 percent, to 1,719.80 won from 1,565.90 won on Wednesday, and more than double the rate at the beginning of this year. At the beginning of November, the dollar was at 961 won.

Meanwhile, on the first day in which foreign investors were allowed to own 50 percent of a South Korean company, up from 26 percent, foreign buying was limited to a few blue chips. About $200 million in foreign capital flowed in, according to market watchers. The stock exchange's composite index plunged 5.62 percent, to 377.37, near its low for the year, 356.82.

The turmoil in South Korea spilled over into the rest of Asia, with currencies and bourses falling throughout the region.

The won's decline reflects a desperate attempt by South Korean companies and financial institutions to obtain dollars to pay their foreign debts. The $60 billion line of credit put together by the International Monetary Fund has not eased the crisis. Indeed, some analysts say it seems to have made the credit crunch worse.

"Businesses are almost paralyzed," said the chief representative in Seoul of an American investment bank. "They're not out there producing and marketing. They are just trying to get liquidity."

There are reports that South Korean importers are having trouble procuring letters of credit, making it difficult to bring in supplies from abroad.

Meanwhile, Standard & Poor's Corp. lowered the rating Thursday of South Korea's foreign-currency bonds to BBB-minus, the lowest investment-grade rating, from A-minus. On Wednesday, Moody's Investors Service had cut the rating to

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## *But U.S. and Europe Ride Out the Turmoil*

By Mitchell Martin and Brian Knowlton
*International Herald Tribune*

World stock markets had a relapse of the Asian flu Thursday, but although problems in South Korea and Hong Kong rattled some investors, analysts said this was just a pale echo of the problems seen earlier this year and did not indicate a new crisis.

After a weak performance by Wall Street on Wednesday, Asian markets opened to see the South Korean won again dropping by its 10 percent limit for the day as it became increasingly clear that the $60 billion of assistance arranged by the International Monetary Fund, about $20 billion of which is due to be paid before the end of this year, would not be enough to help the country meet its overseas debts in coming months.

Stocks fell across the region, and the selling washed with decreasing intensity across Europe and finally the United States. While many Asian markets fell 5 percent or more, most bourses in Europe suffered losses of between 2 percent and 3 percent, and the Dow Jones industrial average ended with a 1.63 percent loss, at 7,848.99, down 129.80 points.

Seoul reportedly is seeking additional aid, but with reservations about complying with the IMF's market-opening requirements, it is having trouble persuading foreign governments to offer more money. Robert Rubin, the U.S. Treasury secretary, showed no willingness Thursday to offer direct U.S. assistance to Seoul, saying the best way for it to arrest its steep financial slide was to carry out the commitments it made under the $60 billion IMF-led rescue plan.

"They have taken a number of very important measures, and they have a lot to do, and that's the process that's under way," Mr. Rubin said as he was about to meet with Finance Minister Mar'ie Muhammad of Indonesia. Asked about the possibility of a South Korean default, he said, "They've got a strong program with the IMF, and I think that the key is for them to implement that program and implement it effectively."

A top IMF official in Washington voiced similar confidence in Seoul's progress. "I expect we'll see the

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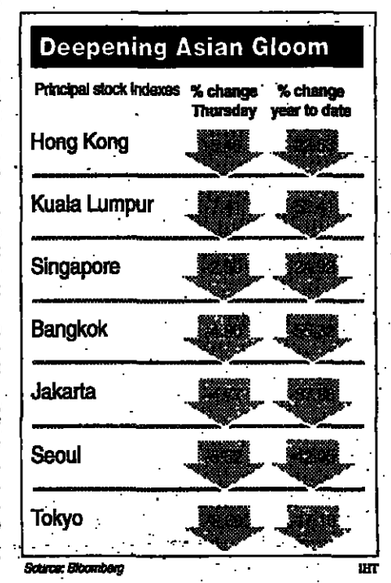


# *A Truce in War Over Climate Change*

## But U.S. to Delay Submitting Global Treaty for Ratification

By Kevin Sullivan and Joby Warrick
*Washington Post Service*

KYOTO, Japan — Exhausted and divided delegates to the United Nations climate conference reached a historic accord Thursday, agreeing to substantial cuts in emissions of greenhouse gases by industrialized countries but leaving until next year the contentious issue of whether and how the world's poorer nations would participate.

Capping a chaotic 48 hours of nearly nonstop negotiations, delegates from 159 countries worked well into midmorning Thursday on their way to adopting a treaty that committed the world's developed countries to binding limits on the pollutants that many scientists say are causing a potentially disastrous warming of the Earth.

But Vice President Al Gore said Thursday in Washington that President Bill Clinton's administration would delay submitting the treaty to the Senate until key developing countries also had agreed to limits on emissions of so-called greenhouse gases, principally carbon dioxide, that are believed to contribute substantially to global warming.

"We will not submit this agreement for ratification until key developing nations participate in this effort," he said. "This is a global problem that will require a global solution."

U.S. needs to cut fuel use. Page 3.

Hours before the final agreement was reached in Kyoto, leading Republicans in the U.S. Senate declared the accord "dead on arrival," and a leading Democratic supporter urged that the Senate delay a vote in light of its bleak prospects.

The treaty, if ratified, would require wealthy nations in North America and Europe as well as Japan to reduce emissions to between 6 percent and 8 percent below their 1990 levels by 2012. The accord, if enforced, would spur dramatic changes in Western countries dependent on fossil fuels and would probably represent the most ambitious and most controversial global environmental undertaking in history.

Under the proposal, the United States would cut its emissions to 7 percent below 1990 levels, significantly lower than the original U.S. proposal, which was to stabilize emissions at 1990 levels. The European Union would cut emissions by 8 percent, a little more than half the 15 percent it originally proposed. Japan would cut emissions by 6 percent as

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## Going Green: Kyoto Accord Sets Out the Path

*The Associated Press*

*Following are details of the Kyoto Protocol to the 1992 treaty on climate change:*

**REDUCTIONS:** Thirty-eight industrialized nations are required to reduce their greenhouse gas emissions from 1990 levels between 2008 and 2012. The European Union would reduce them by 8 percent, the United States by 7 percent and Japan by 6 percent. Some would face smaller reductions, and a few would not face any now. As a group, the nations would cut back on emissions of such gases by just over 5 percent.

**GASES INVOLVED:** Emissions of six gases: carbon dioxide, methane, nitrous oxide and three halocarbons used as substitutes for ozone-damaging chlorofluorocarbons.

**"OFFSHORE" REDUCTIONS:** Countries that do not meet their own emissions targets can strike deals with nations that do better than required to buy the excess "quota." This may encourage reductions to be made where they are most cost-effective.

**ENFORCEMENT:** A later meeting of the treaty parties will decide on "appropriate and effective" ways to deal with noncompliance.

**THIRD WORLD:** Developing countries, including major greenhouse-gas emitters such as China and India, are asked to set voluntary reduction targets.

**NEXT STEP:** The accord takes effect once it is ratified by 55 nations representing 55 percent of the world's carbon dioxide emissions in 1990. It is binding on individual countries only after their governments complete ratification.

# *Is IMF Overmedicating Asian Patients?*

## Leaders Say Bailout Could Kill Healthy Firms

By Thomas Crampton
*International Herald Tribune*

BANGKOK — As Asia's markets spiral downward, Asian business and political leaders are warning that the IMF bailout programs have prescribed the wrong kind of medicine and risk hurting the economies they are intended to save.

These officials and executives criticized the International Monetary Fund for force-fitting the measures — which they said were tailored to stop a government spending spree in Latin America a decade ago — onto Asia's financial crisis, which has at its root the overspending by corporations, not its governments.

Relentless application of the agency's orthodox bailout, which includes increased taxes, high interest rates and budget cuts, will smother the already fragile companies and economies of South Korea, Thailand, Indonesia and Malaysia, they warned.

"You smack a child for misbehaving so he learns a lesson, you don't beat him to death," said Chumpol Na Lamlieng, president of Siam Cement PLC, a Thai industrial company. "While it is good to restrict unnecessary lending with high interest rates, the current tight liquidity is killing formerly viable companies."

In recent interviews, leading officials, such as the new Thai prime minister and new South Korean finance minister, suggested that IMF belt-tightening was cutting into their countries' real economies, rather than reining in spending.

A top IMF official in Washington disputed this point of view, and said that the agency's Asian prescription was a necessary and urgent medicine needed to stabilize Asia's financial markets so that recovery could take place.

"In these financial panics — and every time we go in, it is a financial panic — we see a need for tight monetary policy until confidence is restored," the official said, speaking on the condition he not be identified.

High interest rates, this official said,

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| The Dollar | | |
|---|---|---|
| New York | Thursday @ 4 P.M. | previous close |
| DM | 1.7615 | 1.7875 |
| Pound | 1.657 | 1.6492 |
| Yen | 129.825 | 129.40 |
| FF | 5.8881 | 5.983 |

| The Dow | | |
|---|---|---|
| | Thursday close | previous close |
| -129.8 | 7848.99 | 7978.79 |

| S&P 500 | | |
|---|---|---|
| change | Thursday @ 4 P.M. | previous close |
| -14.85 | 954.94 | 969.79 |

# *Muslim Leaders Unite to Denounce Israeli 'Terrorism'*

By Douglas Jehl
*New York Times Service*

TEHRAN — Muslim leaders from around the world ended a three-day meeting in Iran on Thursday by criticizing Israel for what they called "state terrorism" and demanding that it stop building settlements on Arab land.

The statement by the 55-member Organization of the Islamic Conference was included in a joint declaration adopted only after fierce debate among delegates. They were divided over issues ranging from the U.S. role in the region to the merit of any further quest for broader peace between Israel and its neighbors.

But even in its consensus form, the declaration read out in the closing session of the meeting at the foot of the snowy Elbourz Mountains reflected some of the anger that has forged new bonds in the Muslim world as relations between Israel and Arab countries have plunged further into bitterness.

While accusing Israel of "state terrorism," some signatories to the conference declaration — notably Iran, Iraq, Syria, Libya and Sudan — have long been designated by the United States as state sponsors of terrorism.

In the past, only its most ardent critics have tried to affix the same label to Israel. But sentiment for that move has gained force in the Muslim world since the revelation this fall of a bungled attempt by Israeli agents to assassinate a leader of a militant Islamic group on the streets of Amman, the Jordanian capital.

The gathering in Tehran brought together a vast array of countries and viewpoints, ranging from avowed opponents of the United States and its quest for a broader peace in the Middle East, including Iran, Iraq and Libya, to important U.S. allies, including Egypt, Saudi Arabia and Jordan.

Their disagreements over several sensitive issues, including United Nations sanctions on Iraq, prevented the delegates from issuing joint statements on points that some countries had hoped would be addressed.

The final declaration, for example, included no direct mention of the Middle East peace process, over which many of the participants violently disagree.

Although its own views on many issues were among the most extreme at the gathering, Iran tried as host to promote joint action over confrontation.

Throughout the session, the country's new president, Mohammed Khatami,

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| Newsstand Prices | | | |
|---|---|---|---|
| Andorra | 10.00 FF | Lebanon | LL 3,000 |
| Antilles | 12.50 FF | Morocco | 18 Dh |
| Cameroon | 1,600 CFA | Qatar | 10.00 QR |
| Egypt | £E 5.50 | Réunion | 12.50 FF |
| France | 10.00 FF | Saudi Arabia | 10 SR |
| Gabon | 1,100 CFA | Senegal | 1,100 CFA |
| Italy | 2,800 Lire | Spain | 225 Ptas |
| Ivory Coast | 1,250 CFA | Tunisia | 1,250 Din |
| Jordan | 1,250 JD | U.A.E. | 10.00 Dh |
| Kuwait | 700 Fils | U.S. Mil. (Eur.) | $1.20 |

# *A Drink a Day Gets a Confirmed Toast*

## Alcohol Lowers Death Rate From Heart Disease, Wide Study Shows

By Denise Grady
*New York Times Service*

NEW YORK — One drink a day can be good for health, scientists are reporting, confirming earlier research in a study that is the largest to date of the effects of alcohol consumption in the United States.

The study found that those who took one drink a day of wine, beer or hard liquor had a death rate 20 percent lower than that of nondrinkers during a nine-year period.

"That's a whopping big effect," said Meir Stampfer, an epidemiologist at the Harvard School of Public Health who has conducted similar studies but was not involved in this one. Although the same effect has previously been reported, Mr. Stampfer said, confirmation by the new findings is important because such a large study leaves little room for doubt.

Subjects of the study included 490,000 people between the ages of 30 and 104, who described their drinking habits in 1982 and whose deaths rates were then recorded for nine years. Most subjects were white, middle-class and married, and more likely than the rest of the U.S. population to be college educated.

Eric Rimm, another Harvard epidemiologist, said: "This is one of the best studies you could do on alcohol and mortality. We're not going to get much better answers than what we have in this paper."

Mr. Rimm also noted that it was one of the first large studies to include data on the health effects of alcohol in people who already have heart disease. The study, published Thursday in The New England Journal of Medicine, was conducted by scientists from the American Cancer Society, the World Health Organization and Oxford University.

The researchers said the finding of a benefit from one drink a day applied equally to married and single people.

Michael Thun, lead author of the

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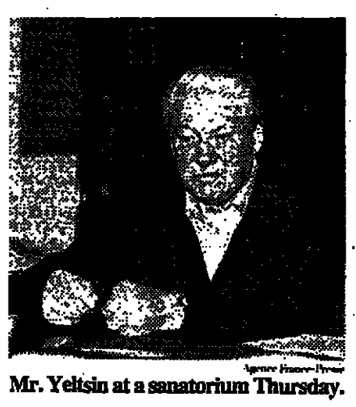
## AGENDA

### Doctors Put Curbs on Yeltsin Activities



Agence France-Presse

Mr. Yeltsin at a sanatorium Thursday.

Doctors have further restricted the activities of President Boris Yeltsin, who remained at a government sanatorium recovering from a sudden illness.

On Thursday, the presidential spokesman said Mr. Yeltsin was suffering from "an acute viral infection," the Interfax news agency said.

Mr. Yeltsin's heart surgeon, Dr. Renat Akchurin, said Thursday that the illness had nothing to do with the open-heart surgery Mr. Yeltsin underwent 13 months ago to replace blocked blood vessels. The acute respiratory infection is a banal cold, Interfax news agency quoted him as saying. Page 10.

### U.S. Criticizes Turkish Flights in Aegean

WASHINGTON (Reuters) — The United States accused Turkey on Thursday of provocative air movements near Greece in the northern Aegean Sea and said such incidents needlessly raised tensions between the two NATO allies.

The flights were "needlessly provocative and totally unnecessary," a State Department spokesman said, adding: "Military activity of this kind undermines confidence and needlessly exacerbates tensions between our two NATO allies."

"We call on Turkey to stop such actions," the spokesman said.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The IHT on-line www.iht.com

*AIDS a Major Threat* / **Some Progress in Family Planning**

# *In Tanzania, Many People and Many Woes*

By Nick Stout
*International Herald Tribune*

NG'IRESI, Tanzania — Sareyo Lothi struck a match and held it close to the single, tiny lamp that hung over his dirt-floored living room. As the room brightened, so did his face. A wide smile of caramel-colored teeth said it all: See, it works!

Mr. Lothi's source of pride was biogas, a home-brewed fuel produced from the urine and manure of two well-fed cows and piped in to his simple stone and earth dwelling for lighting, cooking — and boasting.

Mr. Lothi has beaten the odds. Having abandoned the pastoral lifestyle of his Masai ancestors at age 21 to become a safari tour guide, he eventually bought a farmhouse. Today, at 52, Mr. Lothi and his wife, Lightness, are in relative comfort as they tend five well-manicured acres (two hectares) of cropland and care for the two of their six children who are still at home.

Biogas is just one example of the Western-financed development projects under way today in rural Tanzania, where large tribal families are slowly shifting from traditional to modern — for Africa, anyway — ways of life. Mr. Lothi was one of the first in Tanzania to learn about biogas, and he is now teaching the method to his neighbors here on the fertile slopes of Mount Meru — Kilimanjaro's junior neighbor.

Farmers in the area are also learning about soil conservation, irrigation and other techniques that much of the rest of the world takes for granted.

After three decades of dead-end socialist direction under its founder-president, Julius Nyerere, Tanzania nowadays is courting capitalism, or so it says, to save the country.

Emphasizing the break with the past regime, Prime Minister Frederick Sumaye recently told visiting members of the Washington-based Population Institute: "We are working very hard to remove bottlenecks and various hindrances that have stood in the way of promoting investment in general and private sector development in particular."

As in Ng'iresi and other selected communities, this policy is beginning to show results. But there is a long way to go.

"The economy of this country is not only in transition," said Teferi Seyoum, the representative in Tanzania for the United Nations Population Fund. "It's in crisis."

Sample the statistics: According to the World Bank, per capita income in Tanzania is only $120. Life expectancy — only 51 years for men and 55 for women — is actually falling because of the economic conditions, according to Mr. Seyoum. And close to 10 percent of the population is believed to be infected with the virus that causes AIDS. That is the highest incidence in the world.

"Tanzania is experiencing land degradation, biodiversity depletion and pollution," said Prime Minister Sumaye. "We have witnessed as a nation how population growth and human activities have damaged some of our wetlands, forests, etc. We are witnessing soil erosions, desertification and the dumping of undesirable or even toxic wastes in our lakes, rivers and oceans."

ALTHOUGH he lauded as a "good sign" the country's growth in gross domestic production of about 4.5 percent, Mr. Sumaye said that "this growth is not big enough to sustain a population increase of 2.8 percent."

Those who study demographic patterns agree that no amount of investment will be enough unless the country gets a grip on its population explosion.

In the last half-century, the Tanzanian population has quadrupled to 32 million from 8 million in 1950. Concerted family planning instruction has reduced the size of the average family to 5.8 children per couple, down from 8 or more in years past.

But even the most optimistic predictions show the country with 80 million people by the middle of the next century — and all the consequent social, environmental and economic pressures. The Population Institute, a privately funded nongovernmental organization dedicated to promoting birth control worldwide, is working with local family planning groups in Tanzania to educate people on the environmental perils that lie ahead and to help provide contraception and sterilization to those who seek it.

One such group, the Family Planning Association of Tanzania, known by the Swahili acronym UMATI, has been instrumental in educating citizens about birth control and sexually transmitted diseases, as well as caring for unwed mothers and providing schooling for dropouts. But it is dependent on irregular and insufficient foreign aid.

Private surveys indicate that up to 72 percent of Tanzanians would practice contraception if the methods were made available to them, according to the Population Institute. But donor funding for family planning in Tanzania amounts to only 20 cents a person a year, it says.

One of the biggest hurdles has been to wean stubborn men from the notion that large families convey superior social status, said Felister Bwana, a director at the UMATI youth center in the shantytown of Olmotonvi, not far from the northern city of Arusha, where mountain trekkers and safari seekers come to organize their excursions. The center has been encouraging couples to attend study sessions on this subject, and the meetings have had a positive effect.

"Before, it was difficult for men and women to come together for talks about health," Mrs. Bwana said. "The men felt superior, and the women didn't want to say anything that would upset them. Now, it's more acceptable."

Health workers in the nearby town of Moshi see similar results, which they regard as revolutionary in a country where many women, terrified of their husbands, often take birth-control pills in secrecy.

"Men have begun to escort their wives to counseling sessions," said Dr. Joseph Mashafi, a UMATI manager in Moshi. "They're actually coming as couples."

Increasingly, he said, some men are deciding to have vasectomies instead of simply agreeing to contraception for their wives.

Because a majority of Tanzanians are literate in Swahili (and a surprising number of rural villagers capable of at least basic English), educational campaigns appear to get a decent hearing. But putting knowledge into practice is a different matter. Moreover, one official noted that the growth in population was bringing a rise in illiteracy as people abandoned school.

In this category are the many unwed teenage mothers who have been expelled from school by law. These young women normally wind up as outcasts, abandoned by their sexual partners and shunned by the rest of society.

THE UMATI youth center in Dar es Salaam has in the last decade provided basic primary schooling to more than 300 "forced out" mothers and given vocational training such as tailoring (the sewing machine is almost a national symbol) and hotel management to many of them. This small success story may soon be ending, however, because the Swedish International Development Agency no longer wants to fund the project.

Back in Ng'iresi, Sareyo Lothi showed his visitors through the abundant banana groves and coffee crops, and pointed with pride to the peaches and passion fruit hanging from his trees. At an imposing fig tree he said: "When there is no rain for a long time, people in the village come here to pray."

Whatever prayers Mr. Lothi may have said, they appear to be getting answers. An upshot of the farmland development is the "village tourism" — coordinated by the Tanzania Tourist Board and the Netherlands Development Organization — that is generating additional funds for the community.

"We are very fortunate to have this program," Mr. Lothi said. "We can now do plenty of planting and building and also improve the school."

Although Prime Minister Sumaye spoke about "a clear relationship between population growth rates and economic growth rates," UMATI officials say there are no government incentives for small families and no direct government funding for family planning.

Asked privately if he believed in Tanzania's professed commitment to population control and economic development, one international aid worker answered with a sigh.

"In Africa, governments are usually committed to only one thing," he said. "Staying in power."

Nick Stout/International Herald Tribune

*Sareyo Lothi has beaten the odds in rural Tanzania. Thanks to Western aid programs, he is using modern techniques to raise coffee and a host of other crops on his five-acre farm not far from Mount Kilimanjaro.*

# Albright Gives Rwanda Praise and a Caution

By James C. McKinley Jr.
*New York Times Service*

KIGALI, Rwanda — Laying a wreath on a grave holding 1,700 Tutsi people slaughtered in the 1994 genocide here, the U.S. secretary of state, Madeleine Albright, reaffirmed America's close alliance with Rwanda's Tutsi-controlled government Thursday, despite its questionable human-rights record in recent months.

After meeting with the Rwandan president, Pasteur Bizimungu, and vice president, Major General Paul Kagame, Mrs. Albright praised the government for managing the peaceful return of more than a million Hutu refugees over the last 12 months.

She said she was impressed with the government's efforts to reconcile the two ethnic groups, which have been locked in an ugly cycle of violence since this tiny country gained independence from Belgium in the early 1960s. Mrs. Albright expressed concern about reports that the Tutsi-dominated army had massacred unarmed civilians in their attempts to flush out and defeat stubborn Hutu guerrilla groups that have ravaged the west of the country in the last six months.

But in the same breath she suggested these abuses were understandable, given the scale of the genocide against Tutsi in 1994 and the brutal methods of the Hutu guerrillas, who are not only massacring the Tutsi civilians again, but have begun to circulate racist propaganda and to broadcast hate radio messages like the ones that fueled the mass killing three years ago.

"I think there is clearly room for improvement in the human rights record of Rwanda," Mrs. Albright said after meeting with the president. "But I think its also important for us to understand how difficult it is for a country that has seen a half million people slaughtered to put itself back together and reconcile."

"They have done a lot already," she said. "But they have a long way to go."

In her public remarks, Mrs. Albright did not mention allegations that Rwandan soldiers and commanders who fought alongside rebels in neighboring Congo earlier this year massacred thousands of Hutu refugees, apparently in revenge for the genocide. Rwanda has admitted helping the Congolese rebels win their war, but has denied its troops committed atrocities.

As thousands of hard-line Hutu militants have drifted home among the refugees, they have taken up arms again.

"The genocide is effectively continuing," a high-ranking U.S. official said.

### ■ Hutu Rebels Raid Camp

Hutu rebels raided a camp housing returned Rwandan refugees Wednesday night, killing 200 and wounding 200, Reuters reported Thursday from Kigali, quoting aid officials. The attack was at Mudende, about 120 kilometers northwest of Kigali.

# A Jerusalem Flash Point

## *Israel Won't Allow Palestinian Census in Arab East*

By Joel Greenberg
*New York Times Service*

ABU DIS, West Bank — The Palestinians, beginning their first census in the West Bank and Gaza Strip, have immediately become embroiled in a confrontation with Israel over plans to survey the Arab neighborhoods of East Jerusalem.

Viewed by many Palestinians as a step toward statehood, the census is also a potent symbol for the Israeli government, which moved swiftly Wednesday night to block the survey in Jerusalem.

Prime Minister Benjamin Netanyahu called the planned census there a challenge to Israel's sovereignty and a violation of the self-rule accords, which limit the jurisdiction of the Palestinian Authority.

A statement issued by Mr. Netanyahu's office said that "Jerusalem is Israel's capital" and that the prime minister "will not allow any foreign sovereign activity in the city."

As the police went on alert and the government pushed through legislation in Parliament outlawing the census in East Jerusalem, Justice Minister Tzahi Hanegbi declared, "We are at the height of the battle for Jerusalem, and we plan to win the battle."

[Palestinian officials said Thursday that they were determined to conduct the census despite the new law to prevent such a count, and they urged the 180,000 Palestinians in East Jerusalem to take part, The Associated Press reported.

[Israel Army radio said that the police in East Jerusalem were on the lookout for Palestinian census-takers and would enforce the new law.]

Palestinians claim East Jerusalem as the capital of their hoped-for state, while Israel asserts that the area, captured from Jordan in 1967 and annexed to Israel, is part of its undivided capital.

In addition to counting the population and listing homes and businesses in the West Bank and the Gaza Strip, the 15-day census is measuring education and employment levels, medical disabilities, agricultural land ownership and standards of living.

Hassan Abu Libdeh, the head of the Palestinian Central Bureau of Statistics, said the survey would give Palestinians a self-knowledge long denied them under Israeli occupation and would supply data needed to set social and economic priorities.

"It's going to be a big eye-opener for us," Mr. Abu Libdeh said. "It is going to open what has always been a black box for Palestinians regarding their own situation and how much they know about it."

"In my opinion, it is as important as the intifada," he added, using the Arabic name for the Palestinian uprising that began 10 years ago Tuesday. "It is a civil intifada."

Heritage of yesterday...today.

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# TRAVEL UPDATE

## Egypt's Tourism Crisis

CAIRO (Reuters) — Hotel occupancy in Egypt plunged from 70 percent to about 18 percent after last month's massacre of tourists in Luxor, Tourism Minister Mamdouh Beltagi said Thursday.

Muslim militants killed 58 foreign tourists and 4 Egyptians on Nov. 17 at Luxor. "We are facing the biggest crisis in the history of tourism in Egypt," Mr. Beltagi told the government daily al-Ahram. "The rate of cancellations is huge."

## Strike Hits Dakar Airport

DAKAR, Senegal (AP) — Air traffic controllers in this west African capital continued a strike Thursday, paralyzing flights to and from the nation's international airport and stranding hundreds of passengers.

Workers of the Agency for Air Navigation Security in Africa and Madagascar began the strike Wednesday to demand higher pay and better working conditions. A union spokesman said that the strike would continue until its concerns were addressed.

**Turkish civil servants** demanding higher salary increases began a two-day strike Thursday despite a government ban. The action mainly affected rail transport and municipal services. *(AFP)*

**Lufthansa** is to begin service between Munich and Sarajevo, capital of Bosnia-Herzegovina, when its summer flight schedule starts on March 29. *(AP)*

## BA Jet Came Close to 3 Planes

*Reuters*

LONDON — A British Airways jet with 115 people on board came dangerously close to two Russian fighter jets and a refueling tanker that were on their way to an air show in England this year, an official report said Thursday.

After an urgent warning from air traffic controllers, the Boeing B-737 made a steep left turn to avoid the three Russian planes, which had descended from their assigned course.

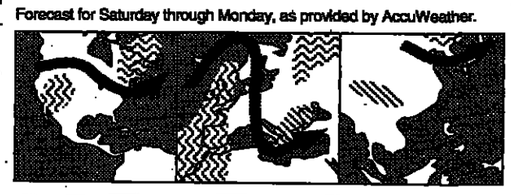
The incident happened over Reading, England, west of London, on July 16.

The report by the Air Accident Investigations Board said the B-737, coming in to land at Gatwick airport, had missed the Russian formation by just half a mile (800 meters). The normal minimum distance between aircraft is between three miles and five miles.

The two Sukhoi SU-30 fighters and the Ilyushin Il-76 tanker had been told to stay at 16,000 feet but instead descended to 15,600 feet, just 600 feet (200 meters) above the Boeing.

# WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.




**North America**
Sunshine and warmer across the West Saturday through Monday. Blustery and cold across the Northeast this weekend, but mainly dry. Cold across the Ohio Valley and the Plains this weekend, but a warming trend is in store for early next week.

**Europe**
Rainy from southern Italy northeast to the Black Sea Saturday through Monday. Mild with at least partial sunshine across the United Kingdom Saturday through Monday. Cold across Scandinavia this weekend, but milder early next week. Dry and cold across western Russia.

**Asia**
Becoming milder in Tokyo this weekend followed by a chance of showers Monday. Rainy from Taiwan and Hong Kong westward into south-central China. Mild in Beijing this weekend, but it may shower Saturday. Dry and milder in Korea Saturday, a chance of showers Sunday, then dry again Monday.

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, Hca, W-Weather.

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**Europe**

| | Today High | Today Low/W | Tomorrow High | Tomorrow Low/W |
|---|---|---|---|---|
| | C/F | C/F | C/F | C/F |
| Algarve | 18/64 | 12/53 sh | 18/64 | 11/52 s |
| Amsterdam | 7/44 | 1/34 sh | 7/44 | 3/37 pc |
| Andorra | 5/41 | -2/29 pc | 5/41 | 4/39 r |
| Athens | 14/57 | 10/50 pc | 17/62 | 9/48 c |
| Barcelona | 12/53 | 1/34 pc | 7/44 | -1/31 c |
| Belgrade | 10/50 | 1/34 r | 3/37 | -2/28 sn |
| Berlin | 7/44 | 1/34 r | 2/35 | -3/27 c |
| Brussels | 6/43 | 1/34 sh | 6/43 | 3/37 c |
| Budapest | 9/48 | 3/37 r | 4/39 | 0/32 sn |
| Copenhagen | 6/43 | 2/35 sh | 3/37 | -1/31 c |
| Costa Del Sol | 19/64 | 12/53 sh | 17/62 | 9/48 s |
| Dublin | 7/44 | 5/41 pc | 9/48 | 8/46 c |
| Edinburgh | 5/41 | 4/39 c | 8/46 | 8/46 c |
| Florence | 13/55 | 3/37 sh | 9/48 | -1/31 pc |
| Frankfurt | 7/44 | 2/35 r | 2/35 | -3/27 sn |
| Geneva | 5/41 | -3/27 sn | -1/31 | -4/25 c |
| Helsinki | -2/29 | -5/24 sf | -4/25 | -5/24 sn |
| Istanbul | 13/55 | 9/48 c | 14/57 | 10/50 c |
| Kiev | 1/34 | -1/31 sn | -1/31 | -4/25 sn |
| Las Palmas | 24/75 | 18/64 s | 24/75 | 19/66 s |
| Lisbon | 18/65 | 9/48 pc | 14/57 | 9/48 s |
| London | 7/44 | 3/37 pc | 8/46 | 5/41 pc |
| Madrid | 11/52 | 1/34 sh | 11/52 | 3/37 pc |
| Mallorca | 16/61 | 2/35 pc | 11/52 | -1/31 s |
| Milan | 8/46 | -3/29 pc | 4/39 | -5/24 pc |
| Moscow | -6/22 | -11/13 c | -7/20 | -11/13 c |
| Munich | 4/39 | -2/29 sn | -1/31 | -6/21 sn |
| Nice | 15/59 | 4/39 pc | 11/52 | 1/34 s |
| Oslo | 2/35 | -5/24 sf | 0/32 | -6/22 pc |
| Paris | 7/44 | 1/34 pc | 2/35 | -1/31 pc |
| Prague | 5/41 | -1/31 sh | 2/35 | -6/24 sn |
| Reykjavik | 1/34 | -3/27 c | 6/43 | 0/43 sn |
| Riga | 1/34 | -3/29 sn | -1/31 | -3/27 sn |
| Rome | 13/55 | 6/43 sh | 13/55 | 1/34 sh |
| St. Petersburg | -2/29 | -4/25 sn | -4/25 | -6/22 sn |
| Stockholm | 1/34 | -2/29 sn | -1/31 | -4/25 c |
| Strasbourg | 6/43 | 0/32 r | 2/35 | -2/29 sn |
| Tallinn | -1/31 | -3/27 sn | -3/27 | -4/25 sn |
| Tbilisi | 9/48 | 3/37 pc | 13/55 | 6/43 c |
| Venice | 11/52 | 2/35 pc | 7/44 | -2/27 pc |
| Vienna | 7/44 | 2/35 sh | 3/37 | -4/25 c |
| Warsaw | 5/41 | 2/35 r | 3/37 | -4/25 c |
| Zurich | 5/41 | -1/31 sn | -1/31 | -4/25 sn |

**Middle East**

| | | | | |
|---|---|---|---|---|
| Abu Dhabi | 29/79 | 18/61 s | 27/80 | 14/57 s |
| Beirut | 19/66 | 13/55 sh | 18/61 | 12/53 c |
| Cairo | 20/68 | 11/52 pc | 19/64 | 8/46 pc |
| Damascus | 14/57 | 7/44 sh | 12/53 | 6/43 c |
| Jerusalem | 12/53 | 5/41 pc | 11/52 | 6/43 c |
| Luxor | 22/71 | 9/37 s | 23/73 | 4/39 s |
| Riyadh | 21/70 | 12/53 s | 25/77 | 11/52 s |

**Africa**

| | | | | |
|---|---|---|---|---|
| Algiers | 19/66 | 8/46 pc | 12/53 | 3/37 pc |
| Cape Town | 32/89 | 19/66 s | 23/73 | 11/52 pc |
| Casablanca | 21/70 | 11/52 s | 22/71 | 13/55 pc |
| Harare | 28/82 | 9/48 s | 28/82 | 9/48 pc |
| Lagos | 31/88 | 23/73 pc | 30/86 | 23/73 pc |
| Nairobi | 24/75 | 16/61 r | 23/73 | 14/57 r |
| Tunis | 19/66 | 9/48 c | 14/57 | 3/37 pc |

**Asia**

| | Today High | Today Low/W | Tomorrow High | Tomorrow Low/W |
|---|---|---|---|---|
| | C/F | C/F | C/F | C/F |
| Almaty | 9/48 | 1/34 c | 4/39 | 1/34 r |
| Bali | 33/91 | 23/73 pc | 34/93 | 22/71 pc |
| Bangkok | 31/88 | 21/70 pc | 30/86 | 23/73 pc |
| Beijing | 6/43 | -6/22 s | 4/39 | -4/25 s |
| Bombay | 28/82 | 16/61 s | 29/84 | 17/62 s |
| Calcutta | 24/75 | 13/55 s | 26/79 | 13/55 pc |
| Chiang Mai | 28/82 | 14/57 pc | 28/82 | 16/61 s |
| Colombo | 30/86 | 22/71 pc | 30/86 | 23/73 sh |
| Hanoi | 21/70 | 16/61 c | 23/73 | 13/64 pc |
| Ho Chi Minh | 33/91 | 22/71 pc | 33/91 | 22/71 pc |
| Hong Kong | 20/68 | 17/62 pc | 21/70 | 17/62 pc |
| Islamabad | 17/62 | 9/48 sh | 14/57 | 6/43 r |
| Jakarta | 28/82 | 24/75 t | 30/86 | 23/73 r |
| Karachi | 28/79 | 13/55 pc | 27/80 | 12/53 s |
| K. Lumpur | 32/89 | 22/71 sh | 31/88 | 22/71 r |
| K. Kinabalu | 29/84 | 23/73 c | 29/84 | 23/73 pc |
| Manila | 29/84 | 21/70 r | 31/88 | 21/70 pc |
| New Delhi | 24/75 | 9/48 pc | 16/61 | 7/44 sh |
| Phnom Penh | 32/89 | 22/71 pc | 31/88 | 22/71 pc |
| Phuket | 31/88 | 21/70 pc | 30/86 | 22/71 pc |
| Rangoon | 30/86 | 18/64 pc | 31/88 | 18/64 s |
| Seoul | 1/34 | -7/20 pc | 3/37 | -4/25 s |
| Shanghai | 9/48 | 1/34 pc | 11/52 | 3/37 s |
| Singapore | 29/82 | 22/71 r | 29/82 | 22/71 r |
| Taipei | 19/66 | 16/61 r | 21/70 | 18/61 c |
| Tokyo | 9/48 | 5/41 pc | 9/48 | 4/39 pc |
| Vientiane | 28/82 | 15/59 pc | 29/84 | 17/62 pc |

**North America**

| | | | | |
|---|---|---|---|---|
| Anchorage | -4/25 | -13/13 sn | -9/16 | -13/9 sf |
| Atlanta | 6/43 | -2/29 pc | 4/39 | -2/29 pc |
| Boston | 4/39 | -1/31 sn | 3/37 | -2/29 pc |
| Chicago | 1/34 | -6/22 pc | 1/34 | -6/22 c |
| Dallas | 4/39 | -2/29 pc | 13/53 | 2/35 pc |
| Denver | 9/48 | -4/25 s | 9/48 | -4/25 s |
| Detroit | 2/35 | -3/27 sf | 1/34 | -7/20 c |
| Honolulu | 23/73 | 18/61 s | 24/75 | 19/64 s |
| Houston | 4/39 | 0/32 c | 11/52 | 0/32 pc |
| Los Angeles | 23/73 | 10/50 s | 24/75 | 7/44 s |
| Miami | 28/82 | 19/66 t | 24/75 | 17/62 sh |
| Minneapolis | 1/34 | -7/20 s | 1/34 | -5/24 c |
| Montreal | -1/31 | -7/20 sn | -5/24 | -16/4 sn |
| Nassau | 29/84 | 22/71 pc | 27/80 | 19/66 t |
| New York | 4/39 | 1/34 r | 6/43 | -1/31 c |
| Orlando | 21/70 | 11/52 sh | 19/66 | 9/48 sh |
| Phoenix | 18/61 | 3/37 s | 18/64 | 7/44 s |
| San Fran | 18/61 | 7/44 s | 13/55 | 7/44 pc |
| Seattle | 10/50 | 3/37 pc | 9/48 | 5/41 c |
| Toronto | 2/35 | -7/20 sf | -2/29 | -12/11 sf |
| Vancouver | 9/48 | 2/35 s | 6/43 | 5/41 c |
| Washington | 6/43 | 0/32 c | 6/43 | -2/29 c |

**Latin America**

| | | | | |
|---|---|---|---|---|
| Buenos Aires | 27/80 | 21/70 t | 29/84 | 16/61 sh |
| Caracas | 29/82 | 19/66 s | 27/80 | 20/68 pc |
| Lima | 26/79 | 19/66 c | 26/79 | 21/70 pc |
| Mexico City | 18/64 | 5/41 c | 12/53 | 3/37 r |
| Rio de Janeiro | 29/79 | 21/70 r | 27/80 | 23/73 sh |
| Santiago | 21/70 | 7/44 pc | 23/73 | 9/48 pc |

**Oceania**

| | | | | |
|---|---|---|---|---|
| Auckland | 18/66 | 11/52 s | 20/68 | 12/53 s |
| Sydney | 27/80 | 20/68 s | 27/80 | 21/70 pc |

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| DENMARK | DKK | 780 | 360 | 54% |
| FINLAND | FIM | 624 | 310 | 50% |
| FRANCE | FF | 520 | 210 | 60% |
| GERMANY | DEM | 182 | 72 | 60% |
| GREAT BRITAIN | £ | 47 | 22 | 53% |
| HONG KONG | HK$ | 676 | 284 | 57% |
| ITALY | ITL | 145,600 | 58,000 | 60% |
| JAPAN | ¥ | 26,000 | 12,150 | 53% |
| MALAYSIA | RM | 182 | 101 | 44% |
| NETHERLANDS | NLG | 195 | 78 | 60% |
| NORWAY | NOK | 832 | 390 | 53% |
| SINGAPORE | S$ | 146 | 82 | 43% |
| SPAIN | PTAS | 11,700 | 5,000 | 57% |
| SWEDEN | SEK | 832 | 350 | 58% |
| SWITZERLAND | CHF | 166 | 66 | 60% |
| USA | $ | 78 | 43 | 45% |

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هكذا من الأصل



## THE AMERICAS

# Trouble for the New Mayor

### *Cardenas Police Official Is Forced Out in Mexico City*

*Los Angeles Times*

MEXICO CITY — Just five days after his inauguration, Mexico City's mayor faced his first scandal as a top police official was forced to step down amid allegations that he was implicated in cases of torture and was linked to Tijuana drug traffickers.

Jesus Ignacio Carrola, the new investigative police chief, denied the allegations, which had provoked a storm of protest from human rights groups, politicians and others.

But Mr. Carrola asked for a leave of absence Wednesday night "to dedicate the time necessary to clear the allegations that have been made," said the city's new attorney general, Samuel Del Villar. A leave of absence is often used as a face-saving measure in Mexico when officials are removed.

The police scandal created a rocky start for Cuauhtemoc Cardenas, the city's first elected mayor.

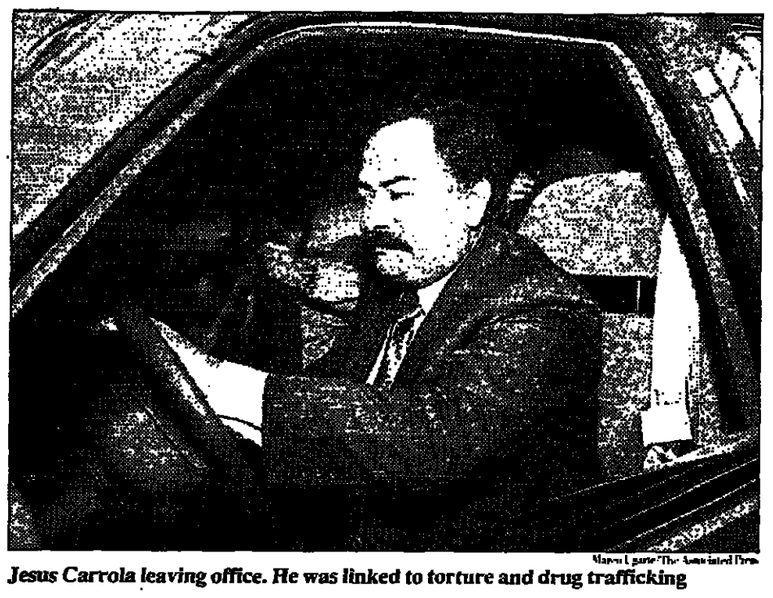
The case also revived fears that drug traffickers could take over some of the key institutions in Mexico, which has become a major channel for cocaine and other narcotics entering the United States.

Early Wednesday, authorities revealed that Mr. Carrola resigned from the federal police last year after being placed on a list of officers scheduled to be purged for problems that included corruption and drug trafficking.

Further, Mexican official sources said he was linked to the powerful Tijuana drug cartel, a major supplier of cocaine to the United States.

In an interview Wednesday, Mr. Carrola said he resigned from the federal police last year for "personal reasons," not to avoid being dismissed.

He insisted that the accusations against him were an attempt to halt his efforts to break up gangs of corrupt police and criminals in the capital.



Marco Ugarte/The Associated Press

**Jesus Carrola leaving office. He was linked to torture and drug trafficking**

# *Price for Promises on Climate: Cutting U.S. Appetite for Fuels*

By John H. Cushman Jr.
*New York Times Service*

WASHINGTON — For the United States to meet the promises tentatively agreed to at the global warming conference in Japan, Americans would have to make significant and sustained cuts in their use of fossil fuels, beginning immediately and lasting well into the next century.

U.S. consumption of coal and oil would have to fall about 30 percent from levels now projected for 10 or 15 years from now, marking the first step toward what proponents of the treaty say would be a radical restructuring of the economy's patterns of energy use later in the 21st century.

In the short term, it would require carmakers to sell more efficient vehicles, power companies to give up coal and people to learn to be miserly when choosing light bulbs, air-conditioners and appliances. In the long term there could be a turn to novel devices such as combustion-free fuel cells and solar and wind power.

Economists and advocates may dispute whether the economy would be better or worse off as a result, but it would have to be markedly different.

The country has made no sacrifices remotely like this since the oil shocks of the 1970s. At the moment, the American appetite for fossil fuels, and therefore emissions of heat-trapping carbon dioxide into the atmosphere, is growing.

Last month the Energy Department said in its long-term forecast that this trend, fed by cheap fuel and strong economic growth, was likely to continue for decades.

So, as exhausted delegates straggle home from the rancorous all-night talks at the Kyoto conference on global climate change, the question is whether the United States — where per-capita emissions of carbon dioxide are more than double Japan's, triple France's and 10 times Brazil's — has the economic strength, the brainpower and the political will to put into practice what its negotiators have promised.

The least of the problems is technology. Although expensive, substitutes for carbon fuels are already available.

But the political barriers look formidable. The Senate majority leader, Trent Lott, Republican of Mississippi, called the treaty's prospects "bleak" even before the ink was dry, and Senator John Kerry, Democrat of Massachusetts, who favors the treaty, cautioned against rushing to seek the Senate's approval.

Not only would the Senate have to consent to the treaty, but both houses of Congress would have to approve any legislation to carry it out, such as limits on emissions, tax incentives, research budgets and possibly a reorganization of the utility industry.

As for enforcing a national energy diet, no one knows what combination of rewards and punishments might be needed to change course and head toward the targets that would be imposed under the new regime.

The Energy Department has projected that emissions of carbon from energy use rise 1.2 percent a year until 2020. Between 2008 and 2012, when the treaty calls for reductions to be achieved, emissions are headed toward 1.8 billion metric tons a year, the agency said. The new goal under the treaty would be 1.25 billion tons during the same period.

Only part of the reduction — 160 million tons a year at most, American negotiators say, out of the 550 million tons needed — might be achieved by trading pollution-control credits with Russia, whose emissions dropped sharply when its economic output collapsed along with communism.

To meet these goals, many analysts say, governments would have to put limits on emissions. But President Bill Clinton's administration favors market-based mechanisms such as trading pollution permits, rather than rigid regulations, to let companies decide for themselves how to meet the limits.

"President Clinton is right that getting to anything below 1990 levels in the U.S. is going to be a big stretch," said Christopher Flavin, an energy efficiency expert at the Worldwatch Institute, an environmental group. "Even if we are partly to buy our way there with credits from Russia, there is still going to have to be a lot done at home."

Opponents of the treaty agreed with that assessment.

"The energy-use curbs needed to comply with the climate treaty are far deeper than expected," said the Competitive Enterprise Institute, a pro-business research and advocacy group. It said provisions to allow international emissions trading and other offsets would only "disguise the pain."

But there are several approaches, some buried in the treaty text and others being developed by Mr. Clinton's administration as unilateral actions, that might help.

For example, the treaty allows for trading pollution-control credits among countries if that would provide cheaper ways of reducing worldwide emissions.

The treaty also would allow countries to receive credit for certain changes in land-use and forestry practices against their emissions limits.

## POLITICAL NOTES

### *Clinton to Meet Conservatives For More Discussions on Race*

NEW YORK — About a dozen conservative activists and members of Congress will meet with President Bill Clinton next week to share their views of race relations, the White House has announced in a move the administration hopes will mute criticism that its dialogue on race has been one-sided.

In a conscious effort to reach out to opponents, the White House included in the discussion group Ward Connerly, the University of California regent who spearheaded Proposition 209, which abolished governmental racial preferences in the nation's largest state. The head of Mr. Clinton's advisory board on race last month scoffed at the notion of including Mr. Connerly in a meeting, saying the regent would have nothing to offer.

Mr. Connerly, who is black, said he welcomed the opportunity, although he remained skeptical. While hoping it indicates new openness by the White House, Mr. Connerly said if he was being invited "just as a token" to come in "through the back door late Friday night never to be heard from again, then the process is still inherently flawed."

In addition to Mr. Connerly, the participants in the meeting now scheduled for Dec. 19 include Jack Kemp, the former Bush administration housing secretary and last year's Republican vice presidential nominee; Linda Chavez, director of the U.S. Civil Rights Commission in the Reagan administration; Lynn Martin, a former Bush administration labor secretary; Thaddeus Garrett, former Bush domestic adviser, and Abigail and Stephan Thernstrom, authors of a recent book opposing affirmative action. The White House also is working to involve congressional leaders. *(WP)*

### *House Panel Weighs Limiting Lawyers' Fees in Tobacco Suits*

WASHINGTON — A House subcommittee has begun considering whether Congress should — or even could — limit fees paid to the lawyers who initiated the lawsuits against the nation's tobacco companies that resulted in a proposed nationwide settlement.

At issue in the debate before the House Judiciary Subcommittee on Courts and Intellectual Property was whether that handful of lawyers should reap fees in the billions of dollars if the settlement is approved by Congress. The plan's likelihood of approval is uncertain since opposition to a variety of its provisions has grown in the House and Senate.

The settlement proposal calls for the companies to pay $368.5 billion to the plaintiffs, most of them states that sued to recover health care costs they say they attribute to treating people made ill by smoking.

Under agreements the states negotiated with the lawyers when the suits were brought beginning in 1993, the legal fees could reach $18.6 billion and be distributed among 89 law firms, according to an estimate given to the committee by Lester Brickman of the Cardozo School of Law in New York. *(NYT)*

### *Justice Agency Renews Inquiry Into Democrats' Fund-Raising*

WASHINGTON — In the last two weeks, the Justice Department has revived its inquiry into whether the Democratic Party illegally funneled millions of dollars into a television advertising campaign for Mr. Clinton's re-election, law enforcement officials said.

A memorandum about the advertising, written by a prosecutor working for the Justice Department's campaign finance team, headed by Charles La Bella, has been circulating for review by several officials within the department. The memorandum analyzes whether the Democrats "knowingly and willfully" paid for a widespread advertising blitz with possibly illegal foreign money, the officials said.

The document also examines a more explosive issue: whether there was a wider conspiracy to evade the limits of the federal election laws by using party money to pay for advertising that should have been paid for by the Clinton-Gore campaign itself. *(NYT)*

### *Quote/Unquote*

Hillary Rodham Clinton, on the behavior of the media and the reluctance of young people to go into politics: "Is it necessary for someone in the public arena to have every motive questioned, every statement dissected? I think it's going to undermine democracy, at a certain point, to have so much poison in the air. The average citizen is going to say, 'I don't want to be involved in that and I don't want my kids to be involved in that.'" *(NYT)*

# AMERICAN TOPICS

## Is Hospitable Salt Lake City Getting Its Fill of Homeless?

In a country where 80 percent of cities report that they sometimes turn away people in need, there is one that takes pride in never denying the homeless: Salt Lake City.

Just as the Mormons, having been persecuted elsewhere, made it their mecca 150 years ago, Salt Lake now draws homeless people from all over the West, The Philadelphia Inquirer reports.

"There's a homeless grapevine, passing on from hobo village to hobo village, about the largesse of Salt Lake," said Dan O'Neill, 56, who came to the Utah capital after striking out in Las Vegas.

The city's main homeless shelter not only is bright and clean but also houses the country's first public elementary school for homeless children. There are job-training and transitional-housing services and a variety of food programs.

This generosity has its roots in the helping tradition of the Mormon Church, which has an active welfare network across the country. The people of the Salt Lake City area, most of them Mormons, provide extraordinary support. Nearly half of the $2.8 million budget of the city shelter is privately donated.

But the hospitality may have its limits. Salt Lake has been working hard to transform a stodgy downtown into a glittering backdrop for the 2002 Winter Olympics. In the city's rapidly developing southwest area, businessmen say the homeless keep some customers away. One-third of the homeless are not from the area. Some in the city say that is enough.

## Short Takes

**A call by environmentalists to restore grizzly bears** to wilderness areas in eastern Arizona and western New Mexico has sparked controversy.

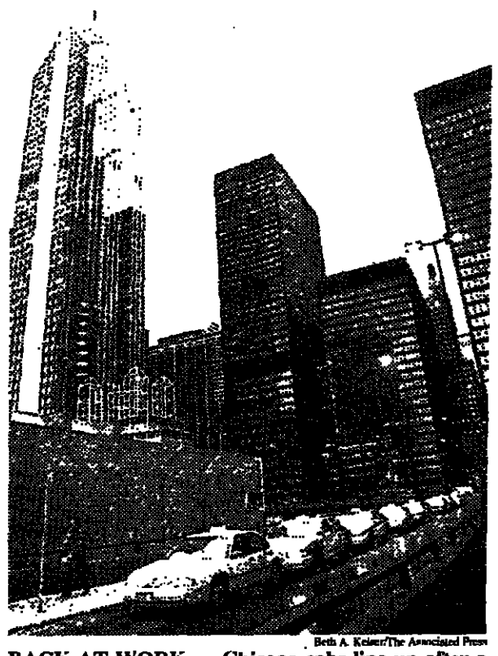
The government already plans to reintroduce the bears, which stand as much as 8 feet (2.5 meters) tall and can weigh 500 pounds (225 kilograms), in Bitterroot National Forest on the Idaho-Montana border. Grizzlies once ranged from California to Kansas.

Now, though they are still common in Alaska, only a few hundred remain in Montana, Wyoming and Washington. Cattlemen, who were responsible for much of the slaughter of the bears in earlier years, oppose the new plan, saying that not only their livestock but people, too, could be threatened.

**It was supposed to be a win-win solution:** The U.S. Navy, dredging a spot for its new nuclear carrier in San Diego, would dump the sand on nearby beaches, saving the cost of importing sand. But over the years, it appears, countless returning sailors have tossed ammunition overboard to avoid tedious inventories. The result, the Los Angeles Times says, is that the sand is full of deadly litter. In one case, it contained 20mm ammunition from World War II, each round with the explosive power of a hand grenade. No one has been hurt so far, but until someone finds a solution, the sand will be dumped at sea.

**A major toy retailer has come up with a clever marketing technique,** half bridal registry and half letter to Santa. At Toys 'R' Us stores, parents can turn their child loose with a scanning device. When the child sees something he wants, he scans the bar code, providing a computer-generated shopping list. In theory, this will reduce the number of unwanted toys returned after Christmas. The problem: What happens when the kid, as kids will, zaps everything in sight?

*Brian Knowlton*



Beth A. Keiser/The Associated Press

**BACK AT WORK — Chicago cabs line up after a one-day strike over new fines for turning down fares.**

# White House Set to 'Certify' China

### *Move Will Clear Way for U.S. Companies to Sell Nuclear Power Gear*

By Tim Weiner
*New York Times Service*

WASHINGTON — The Clinton administration will certify next week that China is no longer helping other nations build a nuclear bomb, according to White House officials.

The announcement will open a potential $60 billion market to the U.S. nuclear-power industry.

The Clinton administration's formal certification will come next week in a statement submitted to Congress, the officials said Wednesday. It will include China's assurances that Beijing has stopped helping Pakistan or any other country build a nuclear bomb; that it is ending its nuclear-power projects with Iran, including the construction of a uranium-conversion plant, and that it is setting up a system to control exports of weapons technology by state and private companies.

Congress could still pass a law overturning the president's certification. Or it could try to impose stricter conditions to be met before U.S. nuclear-power salesmen set up shop in China. Otherwise, the certification takes effect 30 days after Congress reconvenes next year.

The certification is based on assurances from China, monitoring by international agencies, intelligence reports and other information. Twelve years in the making, it is primarily aimed at stopping the spread of nuclear-weapons technology.

"It's very much in the national interest, because it serves our nonproliferation goals," said Gary Samore, director for nonproliferation at the National Security Council. The certification will open what is likely to become the world's largest nuclear-power market to companies such as Westinghouse and General Electric. The U.S. nuclear-power industry, which has not built a plant in the United States since the accident at the Three Mile Island power plant in Pennsylvania in 1979, hopes to sell China goods and services worth tens of billions of dollars.

Under a 1985 agreement, U.S. companies could not sell nuclear plants to China unless China stopped selling nuclear-weapons technology to other nations. In the meantime, China bought Canadian and French reactors and talked to Germany and Russia about buying more.

Ending Chinese sales of nuclear-weapons technology to Pakistan, which is believed capable of assembling several nuclear bombs on short notice, was the most crucial goal of the certification process, administration officials said.

## Away From Politics

• **A black woman was awarded $1.56 million** after a jury in Kansas agreed that she had been stopped and searched by department-store security guards because of her race. *(NYT)*

• **A man convicted of raping and chopping** off the arms of a 15-year-old California girl 19 years ago received a mistrial on charges that he killed a prostitute in his Florida home in February. The judge in the trial of Lawrence Singleton, who was released in California after serving 8 years of a 14-year sentence, has 90 days to begin selecting a new jury. *(AP)*

• **Spending per student leveled off** in U.S. schools in the 1990s, when adjusted for inflation, but the share of school budgets going to special education programs grew, according to a private report by the nonpartisan Economic Policy Institute. *(AP)*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The Spirit Of Christmas

## ASIA/PACIFIC

# 3 Candidates in Seoul Waffle on Economy

## *Calls to Review IMF Bailout Alarm Investors*

By Nicholas D. Kristof
*New York Times Service*

SEOUL — As South Korea lurches through an economic crisis that risks destabilizing much of East Asia, none of the three presidential candidates has given a very credible explanation of how he would manage the economy. Two have even said that they would renegotiate the International Monetary Fund bailout that is the country's life-support system.

All this has alarmed investors and foreign governments, particularly since each of the candidates had signed a pledge agreeing to go along with the bailout. But the broader challenge for South Korea may be that none of the candidates seems likely to emerge with a broad mandate that would enable him to close insolvent banks and factories, stare down striking unions, and unify the nation behind a program to restructure industry and finance.

The two leading candidates, Kim Dae Jung and Lee Hoi Chang, are both widely respected as intelligent, cosmopolitan and courageous. But questions linger about whether they are up to the Herculean task of carrying out the IMF accord adopted last week, risking strikes and even riots, and presiding over a bleak landscape of layoffs, inflation and bankruptcies.

"Politically, it's very difficult," said Lee Hong Koo, a former prime minister. "Whoever is president next time, he's got to be unpopular. There's no other way."

"We need someone to say, 'this looks bad, but this is what we've got to do,' " Mr. Lee added.

Mr. Lee favors Lee Hoi Chang, the ruling party's candidate, to bear those bad tidings. A former Supreme Court justice who has been a visiting scholar at Harvard and at the University of California at Berkeley, Lee Hoi Chang is a stern, independent-minded figure whose drawback as a campaigner is that he has the political charisma of a statue.

A bit ahead of Mr. Lee in the polls is Kim Dae Jung, a long-time dissident who has exhibited enormous courage in defying military dictators but a bit less in challenging voters. A hero of the long struggle to bring democracy to South Korea, Mr. Kim makes the establishment nervous and is broadly popular only in his native Cholla region in the southwest of the country.

"If I am elected president, I will pursue new negotiations with the IMF in order to regain our economic autonomy and benefit the national economy," Mr. Kim declared a few days ago. The third candidate, Rhee In Je, who seems to have little chance of winning, has also called for renegotiation, while Mr. Lee has said that he will stick with the agreement.

The policy differences among the candidates are relatively minor, with all agreeing on a pro-American foreign policy, on the importance of a market-oriented economics and on efforts to engage North Korea. Indeed, one of the most obvious policy disagreements concerns whether to try to negotiate a new IMF accord, and even Mr. Kim's aides are signaling that this might not happen.

"What he means by renegotiating the agreement is not the same as repudiating it," said Ben Limb, a Korean-American lawyer who serves as an adviser to Mr. Kim. Mr. Limb said that Mr. Kim would simply use the occasion of periodic reviews to seek adjustments within the IMF guidelines.

"The mood ranges from anxiety to anger," said Han Sung Joo, a former foreign minister who is advising Mr. Lee. "If the anger prevails, then I think Kim Dae Jung has a good chance, because he not only is in the opposition but also has been tapping that anger by saying he would renegotiate the IMF agreement.

"But if worry prevails," Mr. Han added, "then I think that Lee Hoi Chang has a better shot."

While the administration of President Kim Young Sam has been severely tarnished by the economic crisis, this has not hurt Mr. Lee and the ruling party as much as one might expect. Although President Kim and Mr. Lee have worked closely together in the past, they are now feuding and President Kim may be supporting Mr. Rhee. Indeed, Mr. Lee has gone so far in distancing himself from President Kim as to change the governing party's name, to the Grand National Party.

In the absence of major policy differences, the campaign has centered on such matters as Mr. Kim's age and health (he says he is 71, while his critics say he is about 74 and too old for the job) and Mr. Lee's family. Mr. Lee's election would have been almost a sure thing if it were not for a scandal over his two sons and their failure to perform military service.

It is perhaps natural that candidates are not extensively describing their economic policies, for there is not much political mileage in a presidential candidate detailing to voters precisely how he will make them suffer. Both candidates say, in general terms, that they are eager to shake up South Korea and preside over the transition to a more modern economy.

Still, each might find that task overwhelming.

Mr. Lee is a product of the Korean establishment that many analysts say is the nation's central problem, with incestuous links between politicians, the bureaucracy and huge corporations. Mr. Kim is an outsider and might find it easier to uproot the establishment, but he has a reputation as a populist and might find it difficult to say no to trade unions who now wield enormous power in South Korea.

# *Indian Party Calls for Nuclear Weapons*

Sunil Malhotra/Reuters
Lal Krishna Advani answering questions Thursday in New Delhi.

*Compiled by Our Staff From Dispatches*

NEW DELHI — One of India's most important political groups, the Hindu nationalist Bharatiya Janata Party, said Thursday that it wanted the country to develop a nuclear deterrent.

"BJP favors that India develop a nuclear deterrent of its own," Lal Krishna Advani, the party's president, said at a news conference.

"We are for global disarmament," Mr. Advani said, "but we are against nuclear apartheid that is being imposed by the developed world."

His comments reiterated the party's long-held stance and echoed the government's position.

India, which exploded a nuclear device in 1974, has since exercised restraint, but it has refused to accept global nonproliferation accords, including a nuclear test ban treaty that was negotiated this year.

Experts consider India and Pakistan to be threshold nuclear states that could produce a bomb fairly quickly.

India is developing missiles capable of carrying nuclear weapons but has so far insisted its nuclear program is peaceful.

Hindu nationalists, pointing to what they call a hostile security environment in South Asia, have consistently urged successive Indian governments to move toward an overt nuclear deterrent.

Mr. Advani, whose party is the largest in Parliament, also added a caveat to India's seven-year-old economic reforms and said that, while a future Bharatiya Janata government would move more quickly on dismantling internal controls, it would want the country to move carefully on reforms.

"On globalization, we want the country to move gradually and cautiously to ensure that indigenous industry is not undermined," he said. But he added that the party, whose strength flows from India's middle class, was in favor of "internal liberalization at a more rapid pace."

Mr. Advani dismissed the challenge from the Congress (I) Party and the 13-party center-left United Front alliance that Congress brought down last month. That move forced elections to be called for this winter, at least three years ahead of schedule.

"The Congress is disintegrating at the margins and decaying at the center," he said. "On the other hand, the United Front is almost certain to get disunited before the polls." *(Reuters, AP)*

## BRIEFLY

### *Hashimoto Survives No-Confidence Vote*

TOKYO — The government of Prime Minister Ryutaro Hashimoto easily survived a no-confidence motion Thursday submitted by the main opposition party.

The 500-member lower house of Parliament voted down the motion, 268-219. Twelve members did not vote, and one seat in the lower house is empty.

Mr. Hashimoto's Liberal Democratic Party and two small allies have majorities in both the upper and lower houses.

The fate of the motion, introduced by the New Frontier Party earlier in the day, was never in doubt, but it gained prominence because of Japan's falling economy and new polls showing disapproval for Mr. Hashimoto's government rising sharply. It was the first time Mr. Hashimoto had faced a no-confidence motion since his government took office, last January. *(AP, Reuters)*

### *China Gives Priority To Enterprise Reform*

BEIJING — China's top leaders targeted the battle against unemployment, the losses of state enterprises and "spiritual pollution" as their main tasks for next year at a conclave that ended Thursday, state radio reported.

The national economic work conference, held here Tuesday through Thursday, likened the reform of state-owned enterprises to "storming heavily fortified positions."

China wants to resolve the problems of state enterprises in three years, the radio said.

The conclave conceded that many state workers faced livelihood problems, and pledged to help millions find work or provide them with training.

"The pressure on the government to find new jobs for laid-off workers is greater," the radio said. The number of laid-off workers reached 10 million by the end of September.

President Jiang Zemin and Prime Minister Li Peng addressed the conference. *(Reuters)*

Reuters
SOFTLY, SOFTLY — A mother retrieving her child's stranded school bag on a thinly frozen Beijing lake while a friend grips her belt.

### *Indonesian Troops Stop Student Rally*

JAKARTA — Indonesian troops dispersed a student rally commemorating International Human Rights Day in the central Java city of Yogyakarta, the Jakarta Post reported Thursday.

The paper said hundreds of students calling themselves the Committee of People's Action for Change exchanged harsh words with security personnel who tried to stop them from leaving the grounds of the Gadjah Mada University in the city Wednesday.

Several minutes later, the troops broke up the gathering by beating the students with wooden sticks, chasing them and ordering them into trucks, the newspaper said. There were no reports of serious injuries.

The chief of the Yogyakarta military command, Colonel Djoko Santoso, said those rounded up were later returned to the campus. *(Reuters)*

### *Jiang Praises Tung For Hong Kong Work*

BEIJING — President Jiang Zemin met the chief executive of Hong Kong, Tung Chee-hwa, on Thursday and praised his work in maintaining stability since the former British colony's return to Chinese rule.

"In the past five months, the Hong Kong Special Administrative Region has made remarkable achievements through hard work," Mr. Jiang said, the Xinhua press agency reported.

"Although the financial turmoil of Southeast Asia has had some impact on Hong Kong, it still remains economically healthy since the July 1 handover." *(AFP)*

### *Okinawans Weigh In On U.S. Heliport Plan*

TOKYO — Campaigning started Thursday for a referendum on Okinawa over the construction of a U.S. military offshore heliport as part of attempts to ease the U.S. military concentration on the Japanese island.

The Dec. 21 referendum organized by the Nago municipal government will be the first of its kind over the construction of a specific U.S. military facility in Japan, officials said.

The result, which is expected the same day, will not be binding. But Nago's mayor, Tetsuya Higa, has said that he will use it as a gauge in deciding whether to accept the heliport.

"The offshore heliport construction is a major issue for the future of the city," the mayor said.

"It is important that all residents are to express their own views," he said. "It is necessary for us to know the opinions of as many residents as possible before we make a final decision." *(AFP)*

# IMF: *Leaders Warn Bailout Has Prescribed the Wrong Medicine*

Continued from Page 1

were necessary to slow the rapid depreciation of Asia's currencies.

"There has been a pervasive loss of confidence in the currency, and we have to attract domestic residents and foreigners to hold the domestic currency," he said. "We ask interest rates to be raised to a level that will stop hemorrhaging of reserves."

Jeffrey Garten, a former American trade diplomat, said that the IMF might be using the wrong medicine in Asia.

"It is a legitimate question as to whether the IMF is moving in with prescriptions that are more relevant to Latin American-style crises than to Asian crises," said Mr. Garten, former U.S. undersecretary of commerce, who is now the dean of the Yale School of Management.

"There's another difference between Mexico and the Asian crisis: Mexico is one country, and the countries around it were not all succumbing to the same problem," he said.

A key question, Mr. Garten said, was whether there was enough flexibility among all parties for programs to be altered.

Finance Minister Lim Chang Yuel of South Korea said this week that IMF-ordained slow growth is not what his country needs, and two of the top three presidential candidates insist they want to renegotiate bailout conditions.

Prime Minister Mahathir bin Mohamad of Malaysia, a long-time critic of the IMF, has said his country would resist the agency's aid because its formula helps guarantee loan payments, rather than rescue distraught economies.

Mr. Mahathir takes issue with three conditions he fears would be placed on IMF aid: an opening of financial markets that allowed foreigners to buy out local banks, increased interest rates that would stifle business activity and increased taxes, which would cut consumption.

"Now your currency has gone down and people are poorer," Mr. Mahathir said in a recent speech. "If you have to pay more taxes, then the burden on the people will be even greater."

In Thailand and Indonesia, the first to sign on for IMF programs during the current crisis, companies are being crushed by high interest rates that have arrived as part of the package.

Mr. Chumpol of Siam Cement said that if interest rates did not ease by the end of the year from the current 20 percent level, one-third of Thailand's companies would be too short of cash to pay interest on their debts.

While it may be tough for companies to find money in the short term, the IMF official said the crisis had already created a completely untenable situation. "It has to be stabilized. The effects of continued depreciation are also devastating to all those companies that have large debts," the official said.

The only reasonable way to confront these problems is to sharply raise interest rates and undertake a fiscal correction, the official said. "Our view is, undertake these actions firmly, with conviction, and leave the markets in no doubt you are doing them, and you will stabilize the situation." The official said that some Asian currencies had fallen between 30 percent and 60 percent in value.

"The way to stop it in the short term is to show that you are determined to defend the exchange rate, not at a particular level, but to defend it against continued depreciation," the official said. "Once that period is over, interest rates can go down reasonably fast."

While emphasizing that the government would strictly adhere to all agreements with the IMF, Prime Minister Chuan Leekpai of Thailand and Deputy Prime Minister Supachai Panitchpakdi said separately that the program was harshly cutting into the country's real economy.

"The deflationary effect was stronger than the IMF predicted, and I have to caution them," said Mr. Supachai, who is in charge of the government's economic team. "We have to accept that some assets are overpriced, but the current slowdown is strong, severe and exaggerated beyond what is necessary." Mr. Supachai said the program was essential to Thailand, but should be scrutinized for future adjustment.

"We should do everything we can to make sure it does not rob the fundamentals of the Thai economy. You can just say you take the bitter medicine and accept the consequences, but no, we need to discuss about these matters." The IMF's standard treatment was originally drawn up to address a situation in which a government with a weakening currency and draining foreign reserves prints money to finance a budget deficit, said Masatsugu Nagato, general manager of the Industrial Bank of Japan Ltd. in Thailand.

But Indonesia, Malaysia, Thailand and the Philippines, until the start of the current crisis, all ran budget surpluses, kept inflation low and had stable or even increasing foreign reserves, he said.

"With Thailand, this could be the first time in its history that the IMF has had to face such a serious private-sector bad debt problem," Mr. Nagato said.

Bad debt in the finance sector, which some estimate may reach 25 percent of outstanding loans, will eventually require the sort of government financed bailout the IMF dislikes, Mr. Nagato said.

## Pacific Isles Escape Brunt of El Nino

*The Associated Press*

SUVA, Fiji — Most Pacific island nations seem to be escaping the full impact of El Nino, according to the director of the region's main weather observation center.

Apart from serious drought in Papua New Guinea, the 22 island countries and territories that normally bear the brunt of the El Nino cycle have not been seriously affected, said Rajendra Prasad, director of the Fiji Meteorology Service.

While the normally cyclone-free Tahiti and northern Cook Islands had experienced cyclones, the dry season in the Western Pacific was generally only slightly drier than usual.

Mr. Prasad said El Nino was expected to ease early next year. El Nino is the nickname for a periodic warming of waters in the eastern Pacific.

# KOREA: *Stocks and Won Continue to Fall*

Continued from Page 1

Baa2, two notches above junk-bond status, from A3.

Partly because of such poor credit ratings, a planned $2 billion bond offering by the state-controlled Korea Development Bank has run into difficulties.

The offering, which is considered a vital part of the nation's efforts to raise foreign currency, appeared late Thursday to be going forward. But the interest rate the bank will have to pay, and how many takers it will have, remain to be seen.

The won's steep decline could threaten South Korea's banks because it makes it more expensive, in won, to pay off their dollar-denominated debts.

Another risk, said Mok Young Chung, a banking analyst at ING Barings, is that many banks might now fall short of the international standard requiring capital to equal at least 8 percent of assets.

The reason, he said, is that about 40 percent of bank assets are denominated in foreign currencies. These assets have just mushroomed in value, as measured in won, so capital levels have become insufficient.

Failure to meet that standard would make the banks subject to closure or merger under Seoul's agreement with the IMF.

Finance Minister Lim Chang Yuel, in a news conference with foreign media, tried to talk up the value of the won, saying that the South Korean currency had overshot its appropriate level, which he would not specify, and that currency speculators risk getting burned.

Mr. Lim also said that South Korea's situation is not as dire as analysts say. The nation now has about $10 billion in usable foreign-currency reserves, he said, up from $6 billion on Dec. 2.

By the end of this month, he said, South Korea will have received an additional $3.5 billion from the IMF, $2 billion from the Asian Development Bank and at least $2 billion from the World Bank. In addition, foreign banks operating in South Korea have committed $2 billion in swap deals.

It has been estimated that South Korea has about $20 billion in short-term debt coming due by the end of the year. Mr. Lim, while not mentioning any figures, said that he had talked to foreign banks and that some were now committed to rolling over the debt.

He denied reports in the media here that South Korea had requested that the IMF speed up its disbursement of funds. "We have not requested any change," he said. "As I already told you, we can manage the situation."

If foreign banks forgo calling in their loans, South Korea should at least get through December without defaulting. "Foreign bank sentiment has turned for the better," said Kang Tae Hil, deputy general manager of international sales at Daewoo Securities, who said he talked with some foreign banks on Thursday.

Nevertheless, one Finance Ministry official said the government was still moving toward asking the IMF to provide money faster or asking Japan for a loan to tide South Korea over until more IMF money arrives.

In a nationally televised speech Thursday morning, a solemn President Kim Young Sam apologized to the nation, accepted responsibility for the crisis and told his countrymen not to give in to despair. He also promised to enforce the IMF agreement without alterations.

"If we do not recover our international credibility, a far greater crisis may confront us," said Mr. Kim, whose term expires in February.

One factor that is making some foreign investors nervous is a suspicion that South Korea will not adhere to the IMF agreement, which calls for more market forces to be introduced into a heretofore state-directed economy. Seoul recently pumped more than $2 billion into two commercial banks to keep them from failing, an action that some analysts say violated the spirit of the IMF agreement.

Foreign investors have also been spooked by the fact that Kim Dae Jung, a front-runner in the race to become the next president, has taken out front-page ads in newspapers vowing to renegotiate the IMF deal if he is elected Dec. 18.

Mr. Kim, hoping to capitalize on popular resentment toward the IMF, backed down a bit after newspapers and other politicians criticized his stance as contributing to financial market turmoil.

# MARKETS: *As Rubin Rebuffs Seoul on Aid, Investors Worldwide Take Hiccup Over Asian Turmoil in Stride*

Continued from Page 1

Korean government showing increasingly that it is getting on with the program, and the more that happens, the more confidence will come back," said the official, who spoke on condition of anonymity. "That is the critical element at the moment."

Mr. Rubin said that a request for a short-term loan from South Korea, which formally reached the bailout agreement with the IMF last week, had not come to his desk. He did not say how the United States would respond to such a request.

The Korean Development Bank tried to borrow $2 billion via a bond issue Wednesday, but investors were not interested in advancing it funds on the terms it was offering, about 10.25 percent interest for three years. Wall Street sources said it was reoffering the bond on new terms Thursday.

Analysts said South Korea would get the aid it needed and would be able to work out its problems. "There's no way around supporting the Korean bailout; it's the 11th-largest economy in the world," said John Boich, senior portfolio manager at Montgomery Asset Management in San Francisco. The country has overnight obligations to lenders in other countries and defaults would lead to a global payments crisis, which Mr. Boich said would not be allowed to happen.

Heydon Traub, head of global active strategies at State Street Global Advisers in Boston, said he did not think that the Korean government had intentionally misinformed the IMF about its cash needs. Mr. Traub said the South Korean *chaebol*, the big conglomerates that have expanded their sales by neglecting profits, instead misled their government about how much money they had.

"I don't think it's bad that they are asking for more money," he said, referring to the government, "and they are not going to get the money unless they stick to the IMF terms."

Mr. Traub said he thought the recent decline in world stock prices had nearly run its course, although stock prices would not begin to rise in South Korea until it stemmed the fall in its currency.

Investors did snap up Treasury bonds, sending the yield on the 30-year issue down to 6.02 percent from 6.07 percent on Wednesday. Part of the attraction of bonds was the reduced outlook for profit advances at American multinational companies, which will find it hard to sell goods into the weakening Asian economies. Mr. Traub said, however, that if deflation was going to lead to weakness in the U.S. economy, the stock market's losses would have been far greater.

Confirmation that there was some deflationary pressure on U.S. prices came from the government's report on import prices for November. Overall, prices fell 0.3 percent, the ninth drop of this year, but much of that was because of a reduction in energy prices. Excluding petroleum imports, prices were down 0.1 percent.

A number of U.S. economists, meanwhile, said they understood the government's apparent reluctance to provide emergency funds to South Korea on top of a $5 billion provisional credit line. Some said the situation in South Korea would have to grow far worse before they would support further U.S. assistance.

"I certainly don't see the world coming to an end if, on Jan. 1, they skip a couple of payments" on short-term loans, said Carl Weinberg, chief economist at High Frequency Economics in Valhalla, New York. "It beats me why there would be a panic about this."

Sam Kahan, president of A.S.K. Financial Research in Chicago, added: "It's understandable that Secretary Rubin and others are very, very cautious about making any kind of a blank check. For sure, if Korea goes into a disaster, we'll probably have to step in, but until that develops, we'll have to let them clean their own house."

Morris Goldstein, senior fellow at the Institute for International Economics, in Washington, was similarly sanguine.

"There are risks involved," said Mr. Goldstein, a former IMF official, "and you want to give the Koreans support and to limit systemic risks. At the same time, you don't want either the IMF or the United States or Japan to necessarily underwrite all short-term private debt."

Mr. Rubin's concern, Mr. Kahan added, is not just with Korea but with other countries from Taiwan to Brazil to Czechoslovakia and even Saudi Arabia that may have to seek help in the future. The IMF has disbursed $5.6 billion to South Korea and plans to provide an additional $3.6 billion. Lim Chang Yuel, the finance minister, said the World Bank and the Asian Development Bank would provide $4 billion, with $2 billion committed by foreign banks in swap deals with the Bank of Korea. In granting the bailout loan, the IMF insisted that Seoul slow its economic growth, reduce government spending and raise taxes and interest rates.

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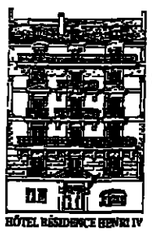

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EUROPE

# Jospin Flies High in Polls, but France's Economic Takeoff May Stall

By John Vinocur
*International Herald Tribune*

PARIS — When Prime Minister Lionel Jospin put in an appearance last week at Marseille's football stadium for the World Cup draw, reporters said jeers and boos rained down on him from the big crowd. It was a humbling, unprogrammed moment, but a total political non sequitur.

Indeed, on a national scale, after six months in office, Mr. Jospin is exceptionally, even eerily, popular.

What he has brought the French, according to associates, and what the country likes enough to give him favorable confidence ratings of 56 or 57 percent, is a sense of honesty, plain talk and competence, a Socialist-led cabinet devoid of squabbles or scandal, and a new emphasis on broad public discussion. Most of all, he has offered the continuing reassurance that France will not be thrown to the perceived dogs of laissez-faire capitalism.

NEWS ANALYSIS

What the prime minister has not done may be even more palpable. He has been unable to start reversing the unemployment rate of 12.5 percent, turn around the pessimistic view of the French on their own economic future (now, according to a new poll, on the bottom rung of Europe's industrial leaders) or steer the country's business community away from increasingly sharp resistance to his program's ideological centerpiece of more public-sector jobs and 35 hours' work for 39 hours' pay.

Apart from some catcalls in a tough town, Mr. Jospin appears to be consolidating his public status as a somewhat austere, clear-headed man and political professional of considerable firmness. He is enough of a hands-down success at the moment that a murmur of presidential talk wells up when his circle muses about the long haul and elections in 2002.

Thomas Coex/Agence France-Presse
**Prime Minister Jospin speaking this week in the National Assembly.**

But the circumstances are fragile. There is a disconnect between the fine poll results and performance.

There are changes planned for France, pointing away from its old market rigidities, that are acknowledged by associates of the prime minister but remain unexplained because they clash with party ideology and the dominant culture of few risks and tight regulation.

Most troubling, there are reports from French economists that growth here came to a halt this autumn and that the government's projections for revenue in 1998 may come up dramatically short. This would turn Mr. Jospin into a leader who can no longer sustain, in the same Socialist embrace, job security, a high minimum wage, 350,000 new public-sector jobs and the budget strictures required to move toward joining the common European currency, the euro, at its start in 1999.

In this situation, as the writer Jean Lacouture, a friend of the prime minister, says: "His popularity is artificial, and it's excessive. He's the most capable person, the man most worthy of esteem on the political scene, and the French see him warmly. Should I marry the girl? Do I buy the house? They'd ask him. But he's been built up too much in terms of actual performance."

Even though Mr. Jospin ran as the Socialist Party's candidate against Jacques Chirac for the presidency in 1995, he was a relatively little-known figure when he became prime minister in June after Mr. Chirac called early legislative elections and lost.

His essential strength at first may have been a public impression of trustworthy blandness after what was portrayed as the edgy arrogance of his unpopular Gaullist predecessor, Alain Juppe, who gave moderate reform politics the feel of a forced march.

None of Mr. Jospin's detours around his campaign positions have stuck as debits on his reputation.

With his fists in his pockets, he maneuvered past what had seemed like a promise that he would fight the closure of a Renault auto plant in Vilvoorde, Belgium; and he accepted, without getting any practical concession in return, the so-called stability pact that established restrictions on European countries' budgets — restrictions that he once denounced as an absurd concession to Germany.

If his notions of widening the work force through a 35-hour week has found almost no favor with his European partners, the prime minister has avoided any policy proposals that would complicate the lives of France's neighbors.

He also has not sought to undercut the traditional foreign-policy role of Mr. Chirac, who presented Mr. Jospin with the grand cross of the national Order of Merit on Wednesday to mark his first six months in office.

"Jospin is actually sincere, which is not a commonplace," said Bernard Kouchner, his minister of health. "He also has the political art to change his sincerities." Against the backdrop of the routine duplicities of public life, this has led to the occasional caricature of the prime minister as a Swedish Lutheran pastor, an image he does not like.

Rather, if Mr. Jospin can be likened to someone striking the French imagination, it may be Aime Jacquet, the dour national soccer coach, also jeered last week in Marseille, who dropped the flashy brilliance and bumptiousness of Eric Cantona and David Ginola from the French team.

For Philippe Alexandre, one of the country's most incisive political commentators, Mr. Jospin's particular wisdom has been to understand that in the French context — in contrast to, say, that of Britain under the "new" Labour Party — there is no advantage to be gained from pledging to slash big government, cut back on civil servants, drop job-market restrictions or call for a more risk-oriented society.

"You have to deal with the country as it is," Mr. Alexandre said. "This country wants more cops, more judges. The French dream of having a kid who's a civil servant. We aren't bold. If you tell most Frenchmen they've got to set up their own company and that they can figure everything out for themselves, they'll run off in the opposite direction at full speed."

What Mr. Jospin has done is more or less mask the idea of much greater flexibility in the workplace by rolling it into the language enveloping the 35-hour-week plan. When it comes time to discuss details, associates of the prime minister say, employers and workers' representatives will create arrangements to maximize productivity. Painlessly, with soft music and blue vapors but without special articulation, they explain, a lot of the old workplace rules will vanish.

Because this is not openly formulated, Mr. Jospin's government has the satisfaction of maintaining the notion in the domestic political debate on jobs that it is defending a unique leftist and very French approach to the country's and Europe's biggest problem.

The rest of Europe, according to Georges Suffert of Figaro Magazine, sees through the ploy and considers that "we will always remain frivolous and arrogant, that the decisions our government is so proud of are dopey, and that when the time comes, we'll have to cheat to escape catastrophe by the skin of our teeth."

It is the potential for trouble, or at least a very nasty time, that has come to disturb Mr. Jospin's equation in recent weeks.

Some French economists have reported that a six-month cycle of strong growth has halted and say that the government projection of 3 percent growth next year is no longer operative.

At a seminar at the National Assembly last week, former Prime Minister Edouard Balladur and Jacques Calvet, the former president of the carmaker Peugeot, said the outlook for 1998 was dimming. Mr. Calvet spoke of reports made available to him that foresaw a decline in gross national product of as much as 1 percent, and both described the Asian financial crisis as frankly discouraging.

All this would not only put Mr. Jospin's sparkling poll results in danger but threaten the construction on which his broad planning is based. The government, which says it is not altering its growth projections, might not be able to afford the measures it still likes to cast as an inspired French approach to the new millennium.

In the most difficult scenario, the prime minister could have to consider choosing some of the traditionally non-Socialist remedies he wants so much to avoid. "In these circumstances," an associate said, "you just can't protect everybody anymore."

BRIEFLY

## *Kinkel Supports EU Aspirants*

BONN — Foreign Minister Klaus Kinkel said Thursday that the European Union summit meeting this week must send the clear message that EU membership was an attainable goal for the next batch of aspiring candidates.

"All 11 candidates must be given clear prospects for entry," Mr. Kinkel told Parliament.

Mr. Kinkel reiterated support for future Union entry for Turkey, but said this depended on its progress on human rights and an agreement on movement of its citizens within the EU.

At their two-day meeting, which is to start Friday in Luxembourg, EU leaders are expected to agree to open talks early next year with Cyprus and five of the 10 East European applicants — Poland, the Czech Republic, Hungary, Slovenia and Estonia. *(Reuters)*

## *Warsaw and Sofia Look Forward*

SOFIA — Presidents Petar Stoyanov of Bulgaria and Aleksander Kwasniewski of Poland said Thursday that their wish to join NATO reflected a desire to distance themselves from their Communist past, not from Russia.

During a two-day visit to Bulgaria, Mr. Kwasniewski said that once Poland was admitted to the European Union and the North Atlantic Treaty Organization, it would support Bulgaria's bid to join the two Western blocs.

"The efforts of Bulgarian politicians are aimed not toward escaping from Russia's shadow," Mr. Stoyanov said, "but getting away from the political system that has been imposed on half of Europe for 45 years." *(Reuters)*

## *Italy May Let Royal Heir Home*

ROME — The lower house of Parliament took the first step Thursday toward changing the constitution to allow male heirs of the country's last king to return to Italian soil after more than a half century in exile.

The Chamber of Deputies approved a draft law by a vote of 276 to 204. If the bill is passed, Victor Emmanuel, 59, will be allowed home for the first time since he was forced into exile with his father, King Umberto II, as a 9-year-old. Italians threw out the monarchy in 1946, blaming it for complicity in the more than 20 years of rule by the fascists. *(Reuters)*

## *Belgian Won't Call Early Vote*

BRUSSELS — Prime Minister Jean-Luc Dehaene was quoted Thursday as saying his government would ride out its term and call elections in June 1999.

Belgian media have repeatedly suggested that Mr. Dehaene was aiming for early elections in 1998 to give the government a clean slate before the introduction of European monetary union in 1999. *(Reuters)*

# Stopping Revolt on Welfare, Blair Stands Firm on Reforms

*Compiled by Our Staff From Dispatches*

LONDON — Prime Minister Tony Blair vowed Thursday to press ahead with tough decisions needed to keep Britain's economy healthy, despite a revolt by Labour legislators opposed to welfare cuts.

"Anybody who thinks there will be a reversion from the principles and policies on which we were elected is wrong," Mr. Blair's official spokesman said. "MPs can express their views, but in the end the government will govern and the prime minister will stick to tough decisions."

47 Labour members of Parliament carried out a rebellion Wednesday night by voting against cuts of up to £11 ($18) a week in benefits for single parents. A further 14 abstained, bringing the number of malcontents to more than a seventh of the parliamentary party. In addition, a junior minister resigned over the issue, and four ministerial aides quit.

The size of the rebellion took party leaders by surprise and showed that Mr. Blair faced obstacles to his planned reform of Britain's cradle-to-grave welfare system.

Mr. Blair had the added embarrassment of support from the opposition Conservative Party for his measure, which aims to get single parents off welfare and back into the work force.

The 47 will be interviewed by Labour's whips, who enforce parliamentary discipline, and receive a "strict reprimand," an aide to Mr. Blair said.

The chancellor of the Exchequer, Gordon Brown, told BBC radio that the rebels were "fearful of change" and "stuck in old ways."

Mr. Blair has enjoyed an exceptional honeymoon since the election, when he won a 179-seat majority in the 659-seat House of Commons and ended 18 years of Conservative governance.

But the facade of Labour unity was shattered during the debate Wednesday, in which the vast majority of the party's members of Parliament appeared reluctant to support Social Security Secretary Harriet Harman, who presented the measure.

In a resignation letter to Mr. Blair, Malcolm Chisholm, a junior minister at the Scottish Office, said the benefit cuts were "an attack on some of the poorest women in society." *(Reuters, AFP)*

# Kohl and Foes Bend on Tax, Raising It

*Reuters*

BONN — After a year of discussing tax cuts, Chancellor Helmut Kohl's coalition government reached a compromise with the opposition Thursday that raised taxes instead.

Under the compromise, the government, led by the Christian Democrat Union, and the opposition Social Democrats avoided an increase in pension contributions by agreeing to raise the value-added tax by 1 percentage point, to 16 percent.

Business leaders criticized the agreement as a messy compromise that would hurt consumers and increase the inflation rate by about 0.5 percentage point. But economists said they did not believe it would force the Bundesbank to change monetary policy to contain inflation.

The agreement came after months of deadlock in Parliament over how to change both a tax structure that employers say is punishing private enterprise and a social welfare system that many say has become too expensive.

With only 10 months left before the next general election, politicians also wanted to show voters that they were not standing still as economic growth sputtered and unemployment stood at record postwar levels.

The government had diluted plans for a 30 billion Deutsche mark ($16.82 billion) tax cut after the Social Democratic Party used its majority in the upper house of Parliament to block changes in the tax system that it called too costly and socially unfair.

"We have broken the deadlock," Employment Minister Norbert Bluem said after the compromise was reached in the early hours of Thursday. "That's the most important political news."

Rudolf Scharping, the Social Democrats' parliamentary leader said, "Faced with accepting a complete standstill or making a small step, I decided on a small step."

The environmentalist Greens, a likely partner in a possible Social Democratic coalition government, rejected the agreement.

"We can't really talk about reform any more with this outcome," said Kerstin Mueller, a spokeswoman.

But the strongest criticism came from business leaders, particularly those in small and midsize enterprises.

"This is a statement of bankruptcy of Bluem's policy," said Hans-Peter Stihl of the German Chambers of Commerce and Industry.

Business leaders and economists said the increase in the value-added tax starting April 1 would curb retail demand while increasing inflation, which they predicted would reach about 2.5 percent in the second quarter of 1998.

The parties agreed on the increase to avoid raising pension contributions to a record 21 percent of wages, from 20.3 percent.

But the two sides failed to end their dispute over a broader revision of the tax code, dimming hopes of a deal before the election.

"This was a minimal solution," said Uwe Angenendt of BHF Bank in Frankfurt. "This was a simple redistribution of a cost to a large group which is a positive factor. But the overall tax burden remains the same. It is rather a disappointing solution."

### ■ Lafontaine Catches Up

The Social Democratic leader Oskar Lafontaine came out ahead of Mr. Kohl for the first time in a public opinion poll, ZDF television said Thursday, Agence France-Presse reported.

The poll for December showed Mr. Lafontaine beating Kohl by 44 percent to 43 percent.

Mr. Lafontaine, who made a strong showing at a party congress this month, lost badly to Mr. Kohl in legislative elections in 1990.


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# Rudolf Bahro, German Dissident, Dies

*New York Times Service*

FRANKFURT — Rudolf Bahro, 62, who wrote a book that instantly made him one of East Germany's most prominent dissidents, and later became an equally iconoclastic figure in West German politics, died Friday in Berlin after a long battle with cancer.

A dedicated Marxist who believed socialist practices should be reformed but not discarded, Mr. Bahro was imprisoned by the East German government and later released after an international outcry on his behalf. He was exiled to the West in 1980, became an early leader in West Germany's Green Party and then quit in 1985 after he concluded that the Greens were too entangled in the status quo to push through fundamental changes.

Mr. Bahro became a member of the East German Communist Party at 16, then went on to become a journalist. His ideological shift began in 1968, when Russia invaded Czechoslovakia to reverse the "Prague Spring" liberalizations. When the East German government refused to condemn the Russian invasion, he began an intellectual odyssey that led him toward heretical questions about his government.

He kept those views largely to himself through much of the 1970s, but began writing a scathing book about the East German system and allowed the book to be smuggled to the West in 1977. "The Alternative: A Criticism of the Real Socialism" soon became a best-seller in West Germany.

Arrested and sentenced to eight years in prison, he was released in October 1979 and allowed to resettle in West Germany in 1980.

In West Germany, he quickly became active in the fledgling Green Party, at that time devoted almost exclusively to environmental causes, and was a member of the party's executive board from 1982 to 1984, but quit in 1985 on the ground that they had already sold out.

**Jeannette Edris Rockefeller**, 79, a lifelong volunteer and philanthropist, a former first lady of Arkansas and stepmother of its current lieutenant governor, died Sunday of heart failure at her home in Palm Springs, California. She was the second wife of Winthrop Rockefeller, the first Republican governor of Arkansas since Reconstruction, who served two terms, from 1967 to 1970. They divorced a year later. Her stepson is Lieutenant Governor Winthrop Paul Rockefeller.

**Cardinal Laurean Rugambwa**, 85, who in 1960 become the first African cardinal in the Roman Catholic Church, died Monday in Dar-es-Salaam, the Tanzanian Episcopal Conference announced. He became Tanzania's first indigenous bishop in 1952 and archbishop of Dar-es-Salaam in 1968.

**Tamara Geva**, 91, a Russian-born dancer and actress who was the first wife of the choreographer George Balanchine, died Tuesday in New York. She introduced Mr. Balanchine's choreography to New York in 1927 by dancing two brief solos by him. In 1936, Miss Geva and Ray Bolger created a Broadway sensation in the Rodgers and Hart musical "On Your Toes," for which Balanchine choreographed both the dramatic "Slaughter on Tenth Avenue" sequence and a balletic parody.

## EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

# Fewer Nuclear Targets

It seems incredible now, but barely a decade ago American nuclear planners lived in fear of a massive Soviet first strike. To deter and, if necessary, to defend against it, they designed an American force meant to fight and prevail in a prolonged nuclear war. This was the "war-fighting" doctrine, which, with its promise of destroying the civilizations of both sides, frightened millions but allowed Ronald Reagan and Mikhail Gorbachev to negotiate the end of the Cold War. Only now is the doctrine being abandoned.

In its place, President Bill Clinton has decided simply to deter nuclear, chemical or biological attack on American interests by aiming at a shorter list of targets centering on the command centers and nuclear forces of countries deemed possible threats.

The change makes sense. The earlier war-fighting code, whatever it was in the '80s, became dangerously obsolete in the '90s. Negotiated Russian-U.S. arms reductions had left the two countries without enough appropriate missiles for the far longer and more civilian-devastating target lists of the old doctrine. Rather than bumping missiles up, Mr. Clinton bumped targets down.

More basically, America and Russia are no longer military enemies. It is not hostility but caution in the face of each other's large remaining arsenals that keeps both countries vigilant against the unlikely but possible danger of an accidental missile launch and against the remote danger of a new strategic rivalry. Meanwhile, the two countries pursue — too fitfully — further reductions. Retaining thousands of missiles, the United States is not about to come up short in any confrontations with lesser others.

Let there be no worries, however, that the United States is on the way to leaving itself poorly defended. The strategic posture embraced by the Clinton administration still bears a heavy Cold War imprint. American missiles are no longer targeted on Soviet sites, but within minutes they could be. Washington, together with Moscow, could fire off 5,000 strategic missiles in a half-hour. The old fear-of-first-strike doctrine of launching on warning, before you may know whether an incoming missile is something other than accidental or unauthorized, remains in effect. This is especially dangerous at a moment when Russia's control of its missile force stirs some alarm.

Mr. Clinton made this latest nuclear policy decision behind closed doors. No doubt that is easier. But he loses the public understanding and support that could flow from a more open process. "Rocket science" has become a metaphor for intellectual challenge, but rocket science in the sense of nuclear policy has shown itself to be well within the perimeter of public discussion. Mr. Clinton owes the public — where is Congress, anyway? — a nuclear word.

*— THE WASHINGTON POST.*

# Wei at the White House

Bill Clinton was right to seize an opportunity to meet the democracy advocate Wei Jingsheng, despite warnings from the Chinese regime that such a meeting should not take place. In the past, President Clinton has shown some uncertainty about whether he or Chinese President Jiang Zemin should be determining the White House schedule; the Dalai Lama has merited only a hurried "drop-by" visit, and some dissidents have not got in the door at all. But it is not often that people of Mr. Wei's quality come through Washington, and we have no doubt that Mr. Clinton must have profited from their 35-minute conversation.

Mr. Wei is one of the most eloquent spokesmen for peaceful political reform in his country, and for that he spent most of the past 18 years in jail or labor camps. From 1979 until 1993 he was mostly kept in isolation, often in the harshest conditions. More recently, seeing that isolation did not break his spirit, the Chinese regime housed him with rapists and other criminals, who were deputized by wardens to beat and torment him. "Without experiencing this kind of harassment, you can have no idea what it's like," Mr. Wei said during a visit to The Washington Post on Tuesday. Last month the Chinese regime sent him into forced exile.

This history has given him a different view from Mr. Clinton of the proper way to deal with China's Communist regime. The Clinton administration, after early on favoring trade sanctions and other forms of pressure, has come to the view that "engagement" is the best strategy, a policy based on the belief that economic progress will inevitably lead to political liberalization. Mr. Wei, while agreeing that economic and political reform can be closely linked, argues that they do not inevitably go hand in hand. He points to Nazi Germany as proof that capitalism and totalitarianism can coexist.

China's regime acknowledges 4,000 political prisoners, Mr. Wei says, and he believes that the real number may be four or five times higher. Only pressure from outside can help those prisoners and hasten political reform, he says. But by playing one trading partner off against another, Beijing has managed to keep the West from acting effectively. "The Western leaders should get together and find a way to counter that kind of pressure," Mr. Wei said.

Washington must decide whether to argue forcefully for a resolution condemning China's human rights record at the annual UN human rights convention in March. This is one area where Mr. Clinton and Mr. Wei's philosophies coincide. When Mr. Clinton "de-linked" trade and human rights matters, he pledged to act aggressively in human rights forums.

Last year the administration waited so long to make up its mind about sponsoring a resolution that it failed miserably. Mr. Wei was far too polite to criticize his White House host, but he did say that outside pressure can have far more impact on China's leaders than they publicly acknowledge. Perhaps Mr. Clinton was persuaded.

*— THE WASHINGTON POST.*

# After TWA 800

Aircraft manufacturers, airlines and their U.S. overseers understandably like to identify the cause of an air disaster before developing changes in design, operations or training to enhance safety. But that is highly unlikely in the case of TWA Flight 800. Investigators have been unable to determine what caused the plane's center fuel tank to explode. Even so, testimony this week at hearings on the 1996 crash suggests that reasonable and novel steps can be taken to prevent a recurrence.

In their testimony in Baltimore at the National Transportation Safety Board hearings, Boeing engineers essentially said that technical changes aimed at protecting the 747's fuel tank from sparks — the traditional approach to preventing such explosions — were not enough. There must also be a search, they said, for ways to reduce the inflammability of fuel vapors in the tank so that they will not explode even if a spark is generated.

That approach was recommended by the safety board nearly a year ago but was initially opposed by the industry and the Federal Aviation Administration, which preferred to concentrate on eliminating ignition sources. The manufacturer's testimony may now drive the search for solutions increasingly toward vapor reduction.

Boeing says its search for ways to cut the inflammability of fuel has been under way for months and involves talks with others in the industry. Its efforts appear analogous to its decision to alter a part of the rudder on its 737 airliner after crashes near Pittsburgh in 1994 and near Colorado Springs in 1991, even though regulators have yet to rule on the precise causes of those accidents.

Most Americans have neither the time nor the expertise to sort out the sometimes conflicting safety recommendations made by the safety board, whose mandate is to enhance safety, and the FAA, which concerns itself with safety and cost-benefit analysis. But watching the two agencies feud over which changes the industry should adopt in the aftermath of Flight 800 has been unsettling.

The comforting development at this week's hearings was to find both Boeing and the FAA moving closer to some of the safety board's positions. That can only enhance safety and consumer confidence in commercial aviation.

*— THE NEW YORK TIMES.*

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# Now Thais Have to Catch Up With Their Success

By Thomas L. Friedman

BANGKOK — One of the hottest-selling T-shirts in Bangkok today says on the front, "Former Rich." Not everyone here was getting rich, but millions of Thais were soaring up the economic ladder, and whatever rung they reached is now "former."

As part of its $17.2 billion IMF bailout, Thailand last week closed 56 of its 58 investment houses, putting 20,000 white-collar workers onto the streets and ending a 10-year boom that will eventually create 2 million unemployed.

Many of those financial houses are located on Asoke Street. I was in a cab driving down it on Tuesday. As we passed, my driver pointed them out and pronounced "Dead ... dead ... dead."

Because Thailand was the first domino to fall in Asia — followed by Indonesia, Malaysia and South Korea — I came here with one question: How do Thais explain what happened?

"We all go through three stages," said Teera Phutrakul, director of a Thai mutual fund. "Stage one is denial. It's all just a bad dream and will blow over. We paid a heavy price for that stage, by trying to prop up our currency.

"Stage two is shoot the messenger. It's all the fault of Moody's rating agency for downgrading our credit.

"The third stage is admission and calling the IMF. Once you call the IMF, the party's over."

Getting to stage three is not so easy. Malaysia's leader is still blaming Jews and currency traders for his woes. Not the Thais. They are now pointing a finger squarely at themselves.

And what do they say they are guilty of? It depends whom you ask.

The urban working poor say too many people were racing to see how fast they could move from a bicycle to a motorcycle to a Honda Civic to a Mercedes. But the business and government elites say their problem was that Thailand rushed into modernization and globalization without developing the skills to manage them.

In that sense, Thailand is typical of a whole class of emerging countries that have adopted the hardware of the global economy — relatively free markets, free trade and open capital flows — but very little of the software: the regulatory agencies, banking controls, transparency, bureaucratic professionalism and civil society needed to keep such a system stable and reasonably fair.

Thailand today is a country in search of software. The government took out an ad in Fortune magazine last week bluntly declaring that the economic crisis was "aggravated by a financial sector that was not yet prepared for globalization."

"The winds of change blew in too quickly, catching Thailand off guard. A lack of mature systems and safeguards for control meant trouble for an economy that had neither the time nor management experience to adjust."

Bangkok's Nation newspaper said: "Our education system does not promote individual wisdom. Our institutions are too outdated to handle outside forces. Our leaders are not clever enough to guide the nation along a sustained development course."

Developing the software will require a profound change in how this country is run — no more crony capitalism, shrouded decision-making, deference to elites. This software you can't just import. You have to grow it yourself.

Are the Thais up to it? Early signs are good, but the full pain hasn't hit yet.

Sirivat Voravetvuthikun has become the symbol of Thailand today. He won in the stock market, then built a luxury condominium complex with cheap foreign credit, and went belly-up when the currency collapsed. He now sells sandwiches on the street from a big yellow box slung over his shoulder.

Thailand does not have a lot of choices, he says: either develop the software or be trampled by the electronic herd. There are no other options. "Communism fails, socialism fails, so now there's only capitalism," he said.

"We don't want to go back to the jungle, we all want a better standard of living, so you have to make capitalism work, because you don't have a choice. We have to improve ourselves and follow the world rules. Only the competitive survive. It will probably require a national unity government, because the burden is so big."

*The New York Times*

# America and Germany: An Alliance Worth Keeping

By Robert Gerald Livingston

WASHINGTON — Embedding Germany within a multilateral defense alliance remains a desirable NATO function for the Poles today, as it was for France when the alliance was set up four decades ago.

For Americans, though, one of the most essential things to remember about NATO expansion is that it offers the best way of keeping America aligned with Germany. This important argument has so far been overlooked in the American debate about enlargement.

Expanding NATO will be primarily a German-U.S. project. These are the only two countries in the alliance with an activist policy in Eastern and Central Europe. Their interests coincide in the region.

Both countries underpin their policies there with a variety of private foundation and nongovernmental organizational projects that support democracy and free market practices. Their corporations are the leading foreign investors in countries from the Baltic to the Black Sea.

They are willing to devote government resources to the expansion project, which has bipartisan support in Germany and now in America as well — as Senators Jesse Helms and Joseph R. Biden Jr. reported in a joint letter faxed to German parliamentarians last month.

The importance of the German connection has been disregarded in America because, unlike Europeans, particularly Germany's neighbors, Americans hardly think about today's Germany in a power context.

Something akin to a protectorate, the Federal Republic benignly and dutifully followed Washington's lead in all defense matters throughout the Cold War. Had the United States had worries about a bigger Germany, President George Bush in 1990 might have acted more like Prime Minister Margaret Thatcher and President François Mitterrand, who tried their best to block or at least delay Germany's unification, rather than, as Mr. Bush did, supporting it unconditionally.

Call it ascendant. Call it dominant. Whatever you call it, Germany is the strongest country in Europe and at its center. And it is going to become much stronger once it has reformed its costly welfare state programs and reignited its economy.

Maintaining the mutually supportive relationship with an ever more powerful Germany will be a substantial benefit for American foreign policy.

Such a relationship is no certainty in the years to come, however. Germany must continue to concentrate its energies upon integrating the eastern part of the country, a task that is far from complete seven years after formal unification.

And it will be intensely preoccupied in the immediate future in consummating European Monetary Union, advancing political union in Europe, and hammering out the arrangements needed to bring Poland, the Czech Republic, Hungary and other East European countries into the European Union.

These priority commitments will all be time-consuming and politically and economically arduous. They will impose great demands on Germany's resources and attention.

To accomplish its European mission, as Helmut Kohl keeps pointing out, Germany must defer to France. A maxim of postwar German foreign policy has been to avoid choosing between Paris and Washington.

Whenever it can crawl into the EU "bubble" and thus cast opposition to American wishes as a European position, Bonn happily does so. But when the chips are finally down, the choice will be Paris — furtively sometimes, apologetically often, but instinctively always.

Bonn's deferral to the French on the issue of NATO's southern command in Naples, which France wanted to claim for a European, and on a variety of trade policy issues has made this political imperative plain.

NATO enlargement provides the vehicle for continuance of the close working relationship between the United States and Germany that was so characteristic of the Cold War years.

There is not only the business of the expanded alliance proper but also of its attendant and ancillary institutions, most of them designed to involve and thus mollify Russia, such as the Partnership for Peace and the Organization for Security and Cooperation in Europe.

There is most prominently NATO's engagement in Bosnia, for which U.S. combat, intelligence and logistical capabilities are vital, and German soldiers and police highly useful. Such new missions for NATO best guarantee that the German-American alliance remains not just formal but vigorous, innovative and as a result also lasting.

*The writer, a former president of the German Marshall Fund, contributed this comment to the Herald Tribune.*

# France and America: A Changed Climate

By Flora Lewis

PARIS — The long, exasperating roller-coaster ride of French-American relations is not over, but it is developing a more rational climate. This seems largely due to Foreign Minister Hubert Védrine, long foreign affairs adviser to the late President François Mitterrand.

He proclaims his determination to make French policy clear and consistent, and while he does not have the final word, he is in a position to take much of the theatrics and argument-for-the-sake-of-challenge out of the French approach.

This is beginning to show in issues involving Iraq and the Middle East, for example.

On Iraq, Paris is as adamant as Washington on the need to make sure that the potential for biological and chemical weapons is destroyed, although Mr. Védrine says France is fairly satisfied that the nuclear and missile threats are under control.

On the Israeli-Palestinian issue, France still wants a greater European role in pushing for peace, but is supportive of what it considers stiffening American pressure on Israel's government, and would not mind a Euro-American joint declaration for a settlement.

On sanctions generally, Mr. Védrine has laid down that a UN Security Council decision is the source of legitimacy, by implication criticizing America's tendency to impose unilateral sanctions for a variety of reasons, but retaining the principle of international action.

This is in sharp contrast to the traditional Gaullist position. When he was president, Charles de Gaulle dismissed the United Nations as "a thing," and made much of demonstrating French defiance of the United States whenever an occasion arose.

A new book by Alain Peyrefitte, de Gaulle's minister of information and spokesman for many years, reveals to a much greater degree even than was evident how deep and persistent was de Gaulle's belief that the stature of France required opposing America.

It is the second volume in a series starting in 1958, and covers the years 1963 to early 1966. A third volume will follow.

There are shelves of books about de Gaulle. Mr. Peyrefitte's unique contribution is a virtual journal of de Gaulle's private remarks explaining his policy and instructing his spokesman what should and should not be told to the public.

The record shows that de Gaulle repeatedly toyed with the idea of a deal with Moscow, in effect reversing alliances to counter the weight of America. At some times, though, the purpose is given as more of a lure to win support from Moscow than an offer to endorse Soviet aims.

It was not just a circumstantial notion, provoked by some specific quarrel with the United States. De Gaulle complains more than once that he had offered Stalin a deal for joint control of Germany in 1944, but that the Soviet dictator refused because he thought he could get much more of Europe.

The idea of expelling NATO forces from France and pulling the French out of the integrated military system is advanced repeatedly, several years before de Gaulle actually did it in 1966. He thought the result would be to wither the alliance and assure France a role of dominance.

(It is a reminder, at a time when NATO's new role is under debate and so many express nostalgia for the "robust" alliance of the past, that it survived a devastating strategic blow with a resilience and flexibility that endure.)

The ruse, maneuvers and deceptions de Gaulle used to push his ambitions for France come through more clearly than ever in these frank conversations. Mr. Peyrefitte seldom comments, but he is obviously awed by his leader's combination of intricate tactics and sheer will. The journal is a fitting sequel to Machiavelli's "The Prince."

De Gaulle's disdain for partisan politics and indeed for Parliament, his insistence that he alone embodied France and that his reflexes sufficed to guide it, show how near he could have come to being a dictator. He was saved by his instinctive belief that "the people" must be the source of legitimate power, and therefore his willingness to accept decisions expressed by democratic vote.

This, too, has current relevance, as it is recognized that elections alone do not make for liberal democracy. That takes stronger, more sturdily rooted constitutional guarantees, and above all a shared conviction of ruler and ruled in the irreplaceable value of liberty.

De Gaulle did not really expect any successor to carry on his crusade. But his legacy changed France profoundly, and only now is it beginning to come to terms with the gap he left between its pretensions and the reality of its means.

That does not mean no more friction with America. But it can mean a better partnership based on enlightened rather than illusory interest, and even some inspiration for the United States as it copes uneasily with the loneliness of being the only superpower.

*Flora Lewis.*

# New Light on the Tibet Story

By Jay Taylor

WASHINGTON — The full story of the Tibetan revolution has yet to be told.

The accepted version of the 1959 uprising is that after popular demonstrations in Lhasa against the Chinese occupation, rumors spread that the People's Liberation Army was about to arrest the Dalai Lama. Tibetans reportedly poured into the streets to protest, Chinese troops reacted violently, the Dalai Lama fled and the rebellion was on.

Classified papers on this subject are contained in the Foreign Relations of the United States 1958-1960 Vol. XIX published last year. In an unusual commentary in the preface, the historian of the Department of State notes that because of the CIA refusal to release certain material, the documentation on Tibet "falls short of the standards of thoroughness and accuracy mandated" by law.

Nevertheless, despite long deletions, there are numerous references in the material to a CIA covert operation in Tibet before March 1959 to encourage and arm an anti-Communist uprising, apparently in conjunction with Taiwan's Special Operations unit.

Former Chinese Nationalist officials privately confirm that Indian intelligence cooperated in this effort.

The fact that the rebellion was stirred up from the outside may explain in part Mao Zedong's animosity toward India at the time. But it does not excuse the grave abuses by the Chinese government in Tibet that followed.

The American Declaration of Independence asserts the basic premise of a democratic union — membership must be voluntary. In other words, any people has the right to break the bonds that join it to another unless there is a specific and compelling moral reason to oppose the action.

Thus, Canadians will not resist by force the departure of Quebec, if that is the wish of most Quebecois. The newly democratic Russians have let most of their empire go. The Czechs said good-bye to Slovakia. But neither China nor the Chinese people have reached that stage of liberality in their thinking about sovereignty and human freedom. Neither have Turkey, India and a few other inheritors of empire.

Outside efforts to divide China are still fresh in memory, including America's covert involvement in the 1959 uprising in Tibet.

So the Dalai Lama is wise in saying he will not raise the issue of independence if the Chinese government will hold talks with him.

But Jiang Zemin is wrong to demand that the Dalai Lama renounce independence as a quid pro quo for talks. If the Chinese people hope to win the support of the Tibetan people for union and earn the due respect of mankind on this issue, a dialogue with the Dalai Lama is the first step.

*The writer, a former U.S. deputy assistant secretary of state for intelligence and research, contributed this comment to The Washington Post.*

## IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1897: Shaken Empire

LONDON — The *Daily Telegraph* publishes a letter from its correspondent at Budapest in which he says: "Thirty years ago the Kaiser Franz-Josef granted home rule to Hungary as an experiment. Today his Empire is shaken to its nethermost foundations. This consequence was long foreseen by his most trusted advisers. The result is that one of the Great Powers of Europe is in a Medea's cauldron ... Nobody knows as yet what that implies; possibly the breaking up of the Dual Monarchy."

### 1922: Japan Pulls Out

PEKING — Much anxiety is reported among the American and British residents at Tsingtao, on the east coast of Shantung, which formerly belonged to Germany and is being transferred by the Japanese to the Chinese authorities. Disorders are feared owing to the withdrawal of Japanese troops. The Japanese employed on the railroad and at the waterworks and electric light plant will probably join the Japanese wharf laborers on strike as a protest against being turned over to the Chinese administration.

### 1947: U.K.-Soviet Deal

LONDON — The President of the Board of Trade announced that Britain and the Soviet Union have agreed on terms of a working trade agreement. Britain is to receive roughly 750,000 tons of coarse grains and in return Britain will send the Soviet Union machinery and capital equipment. The Foreign Office expressed "great satisfaction." A spokesman said: "While there is not probably much of a political angle in such a treaty between us, it would prove that Russia will work with a capitalist government."

هكذا من الأصل



# OPINION/LETTERS

## The Orgy of Nanking: Details Still Vivid After 60 Years

By Denis and Peggy Warner

MELBOURNE — On Dec. 13, 1937, Japanese forces captured the city of Nanking, then the national capital of China, and began the biggest slaughter in recorded history until then. By the time the killing stopped, 300,000 Chinese men, women and children had been murdered or raped or both, their bodies burned, dumped in mass graves or thrown into the Yangtze River.

As the Japanese approached Nanking, some soldiers engaged in a competition to kill the most Chinese. Two sublieutenants, battling to be the first to score 100, between them beheaded 167 in one day, their tallies nauseatingly reported in both English- and Japanese-language newspapers in Japan.

Three Western correspondents in Nanking, Tillman Durdin of The New York Times, Archibald Steele of the Chicago Daily News and Leslie Smith of Reuters, remained in the city during the first days of the massacre and then carried the news out.

Nanking's dead lay deep under the sycamore trees on the broad main streets and in alleyways and gutters, victims of shooting, bayoneting and torture. Japanese soldiers killed at random; raped women, young girls and boys; looted; set fire to shops, temples, churches, houses and universities.

By the end of December, 20,000 cases of rape had been reported. All over the city, girls were dragged from their homes. One young woman was raped 37 times. Another had her 4-month-old child smothered by the soldier who was raping her. Resistance brought death by bayonet.

Five days after the Japanese marched in, Mr. Durdin's account was the lead story in The New York Times. Nanking, he reported, had been turned into a city of terror. Just before he boarded a ship to take him to Shanghai, he watched the execution of 200 men. The killings took 10 minutes. A large number of Japanese military spectators evidently enjoyed the show.

As soon as Mr. Durdin's story broke, the Japanese imposed a news blackout and cut off transportation from Nanking. It was forbidden to take documents and photographs beyond the city limits. The killing and mistreatment of the population continued unabated.

A group of horrified Westerners, headed by a German businessman wearing a swastika armband, attempted to protect lives by setting up an international safety zone within the city. They worked tirelessly, assuring Chinese soldiers who had hidden from the Japanese that if they kept their uniforms on they would likely be taken prisoners of war and sent to work as laborers.

It did not turn out like that. Japanese machine gun squads worked for hours at a time killing Chinese soldiers who had put down their arms.

Masatake Imai, a correspondent for a Tokyo newspaper, saw in front of his office what he described as an endless contingent of Chinese being taken to an execution ground on the banks of the Yangtze. He followed the procession to the river.

Years later, when he was free to describe what he had seen, he wrote that burned corpses, piled one upon the other, had covered the wharf. Fifty to 100 Chinese were put to work dragging the bodies and throwing them into the river. In the predawn light, it looked like a pantomime. When they had finished their task, the Chinese were lined up and shot by machine gun so that they fell into the river.

***How to explain the barbarity of the Japanese? One theory is that they regarded the Chinese as less than human.***

The killing in Nanking lasted for six weeks. One relief organization buried more than 100,000 people; the Red Crescent Society buried 43,000. In just five days, the Japanese destroyed as many as 150,000 bodies by throwing them into the Yangtze or burning them.

Today at the memorial hall outside Nanking, photographs show drunken Japanese officers and men with their feet on the bodies of dead babies and women, young girls begging for mercy as they are raped and soldiers burying victims alive or displaying severed heads.

What made the massacre particularly difficult to comprehend was the extraordinary change in the behavior of Japanese troops since the war against Russia of 1904-05. Far from mistreating troops captured at Port Arthur, the Japanese went so far as to repatriate officers who had agreed to take no further part in the war. One of Admiral Togo's first acts on going ashore in Japan after the great naval battle of Tsushima was to visit the Russian commander in chief in the hospital to shake his hand.

Why, then, this awful change in behavior? Several theories have been advanced by Chinese researchers. One is that the Japanese regarded the Chinese as less than human; another is that they wanted to terrorize the Chinese into capitulating.

There appears to be some basis for the first theory. In a rare book of Japanese woodblock prints of the Sino-Japanese War of 1894-95, the Japanese all appear highly civilized while the Chinese are portrayed as something less than human.

But perhaps more important, the Japanese military was moving to adopt *Senjin-kun*, a code establishing the battle ethics of the samurai. This dictated that a soldier should die rather than be taken in dishonor as a prisoner of war. Under this code, life for the Japanese soldier — his own and that of anyone unfortunate enough to fall into his hands — was very cheap.

Such explanations may help to explain — but should never be used to condone — what happened in Nanking 60 years ago.

*The writers are the authors of "The Tide at Sunrise: A History of the Russo-Japanese War, 1904-05" and "The Sacred Warriors: Japan's Suicide Legions." They contributed this comment to the International Herald Tribune.*

## The Legal Limits of Love; Or What's a Wife Worth?

By Ellen Goodman

BOSTON — Let us begin with the Corporate Titan standing at the annual banquet, thanking his "Wife and Partner Without Whom" he would never have been elevated to the financial stratosphere.

Now, fast-forward and check in on Mr. T a year later. This time he's at the lawyer's office insisting that his wife was not the helium in his rise to the top but the old ball and chain.

**MEANWHILE**

What a difference a year makes. What a difference a divorce makes. One year a homemaker wife is the co-author of a success story. The next year she is a corporate welfare recipient.

It's not just that we rewrite the story of our own marriage when it goes kaput. We rewrite the idea of marriage itself.

This is the issue in the latest and most celebrated case of the rich and now famous Lorna and Gary Wendt. Their marriage began 30-odd years ago with high hopes and $2,500. It ended last week in a Connecticut courtroom with bitter recriminations and the division of more than $100 million.

Gary Wendt became a top executive of General Electric putting in 80- to 90-hour weeks at the office. Lorna earned her PHT — Putting Hubby Through — at Harvard Business School and then took care of kids and home.

When all was said and done, including the marriage, Gary thought Lorna should be "generously rewarded" with somewhere around $10 million, all she would ever "need." Lorna thought that she was "entitled" to $50 million — half — and that need had nothing to do with it.

Now admittedly it's hard to think clearly while breathing the thin air of those very rarefied numbers. In the end, the judge awarded her an estimated $20 million. In corporate boardrooms they worried whether a spouse was entitled to future earnings. And the judge awarded her some. But in the public annals it became known as the "What Is a Wife Worth" case.

Here is the short, she said/he said story:

She said: "My end of the partnership was to take care of the family, the household, the caretaking so he could go out and take care of his end of the partnership, which was having the job."

He said: "Do you think having somebody clean the house when you go out and play tennis ... is hard work? Tell me please."

She said: "Marriage is a partnership and I should be entitled to 50 percent. I gave 31 years of my life ... I worked hard and I was very loyal."

He said: "I worked hard. She didn't."

Now, as far as I know, sweat equity is not written into the marriage vows. It is intriguing how this case of the unbelievably rich focused both parties and the public on what she did or didn't do to deserve the marital millions. Nobody questioned what he did to deserve corporate millions.

There is no maximum wage in the United States for corporate executives. But in many states there appears to be a maximum wage, a ceiling for their former wives.

Marriage these days is described in polite company and therapy as a 50-50 proposition. But when push comes to shove comes to split, it may be rescripted as an 80-20 proposition. The equal relationship based on love suddenly is recast as an economic relationship based on pay slips.

We can literally see two value systems collide. Those of marriage and the market. Love and money.

After all, we go to work as individuals but live as couples. We get one name on the paycheck, but we think of marriage as exempt from the marketplace. We acknowledge conflicts between our two points of view only in notoriously skimpy prenuptial agreements — or in divorce court. That's when we see how people really feel about "our money" versus "my money."

I suppose I am an incurable romantic, worrying about the effects of divorce agreements on marriage. But the Wendts have taught us about the legal limits of romance.

This is the aftermath of their corporate breakup: Lorna is starting a Foundation for Equality in Marriage. Gary is planning to marry again. She has set up a Web site. He plans to sign a prenuptial agreement. Ah, love ...

*The Boston Globe.*

## LETTERS TO THE EDITOR

### Fit for NATO?

*Regarding "A 'Garbage' Weapon That Lies in Wait" (Dec. 4):*

The anti-land mine campaigner Bobby Muller says that President Bill Clinton told him he could not "risk a breach with the Pentagon establishment" by signing the Ottawa ban on land mines.

One is forced to ask: Isn't a democratic government — in which civilian politicians control the military, rather than the other way around — a basic requirement for NATO membership?

FREDRIK S. HEFFERMEHL.
Geneva.

### Soft on Sinn Fein

*Regarding "A Billionaire on the Subway, a Humble Philanthropist" (Meanwhile, Nov. 27) by Maureen Dowd:*

Ms. Dowd's twee and embarrassing piece on the Irish-American billionaire Charles Feeney is the kind of hagiography that one often sees in the U.S. media about people who bankroll Sinn Fein.

Sentimental Irish-Americans tend to be blind to the fact that for many in Northern Ireland, Sinn Fein is a terrifying organization.

It may, for now, have eschewed violence as a means of achieving its goals, but its proxies carry out punishment beatings and torture in Belfast on an all-too-regular basis.

ADRIAN McKINTY.
Jerusalem.

### Scientology in Germany

*Regarding "Reassessing U.S.-German Friendship" (Special Report, Dec. 9) by John Dornberg:*

Mr. Dornberg writes that claims of discrimination against Scientologists in Germany are "ludicrous."

As human rights counsel for the Church of Scientology of Germany, I must inform you that Mr. Dornberg's statement is flatly incorrect. I have personally documented hundreds of cases of Scientologists who have been seriously discriminated against in Germany. In some cases they have been forced to leave their country and seek asylum abroad.

Scientologists in Germany are routinely dismissed from jobs; dismissed from social, business and political organizations; denied the right to professional licenses; denied the right to perform their art; denied the right to open bank accounts and obtain loans; denied the right to use public facilities and concert halls, and blacklisted, boycotted, vilified, ostracized and threatened simply because of their association with the religion of Scientology.

Government officials have publicly urged a Scientology litmus test to exclude, isolate and ostracize Scientologists from every facet of society simply because of their personal opinions and beliefs.

The U.S. State Department is not alone in holding that the German government has violated the rights of Scientologists.

Mr. Dornberg would be well served if he investigated these serious violations against members of a minority religion instead of accepting the German government's position at face value.

WILLIAM C. WALSH.
Washington.

### Not Polish

*Regarding "Remembering a Savior in Occupied France" (Features, Nov. 22):*

The writer says that Varian Fry could not prevent the cartoonist Bill Freier from being "sent to his death in a Polish concentration camp." Nazi Germany, which occupied Poland, set up the concentration camps. Poles died in those camps, too.

MARIA E. NIEMCZYK.
Warsaw.

## BOOKS

### THE LAST OF THE AFRICAN KINGS

*By Maryse Conde. Translated from French by Richard Philcox. 212 pages. $35; paperback, $12. University of Nebraska.*

Reviewed by
Kathleen M. Balutansky

IT is a rainy December Sunday on a bleak little island off Charleston, South Carolina. For the first time in his life, Spero Jules-Juliette has forgotten that this day is the anniversary of his illustrious ancestor's death. Spero is a middle-aged Guadeloupean expatriate, his ancestor a king from West Africa who was exiled to Martinique by the French in the late 19th century. The king died awaiting a return to his homeland, and Spero isn't doing so well himself.

Once again, Maryse Conde has successfully engaged the issues of alienation, exile and identity in the black diaspora, as she did to her critical praise with such previous novels as "Heremakhonon" and "I, Tituba, Black Witch of Salem."

Spero's wife of 25 years, an African-American college history professor who hardly speaks to him anymore, had to remind him at breakfast that today is the ancestor's day. Though he's tried for a lifetime to rid himself of the burden of this ancestor, Spero knows that his kinship to the king was the only reason Debbie married him in the first place and puts up with him now. It is Debbie who always lights the candles on this day, who continues the ritual observance. As this dreary anniversary progresses, with Debbie off to church and to her other Sunday activities, Spero recalls his ancestor's story, his own miserable life in Charleston, his various infidelities and the gradual disintegration of his marriage.

Spero acknowledges readily his failures as a painter, as a husband, and as father to Anita, who has left home and now lives in a small village in Benin. At least he takes stock of his shortcomings; Debbie, he thinks, with her "need to revere" all things African, is blind to hers. "No cliché ever seemed suspect to her," he muses, "no stereotype exaggerated, and when she discovered the truth she couldn't look it in the face." Debbie despises him, not for his drinking, his womanizing or his lack of ambition, he concludes, but for his unwillingness to devote himself to — and live up to the expectations of — the "goddess 'Black Americana.'"

Spero has accompanied Debbie to lectures at neighboring black campuses, to concerts by black musicians, to readings by black writers, to exhibits by black painters, and he has had enough. His contempt for Debbie's religion of reverence, his critique of her academic agenda, and his disgust for her friends, who "made Africa into their carnival, their mardi gras procession whose rags they had looted," lead him to a grim assessment that "he had his fill of black churches, black universities, and black stories by black friends!"

Back in the Caribbean, the son and grandson of the king — Spero's father and his grandfather, Djere — had devoted their lives to the worship of their ancestor, and it led them to drink, leaving to their wives the task of scraping a meager living and raising their sons. "Constantly hearing Djere churn out his nonsense . . . some smart alecks had nicknamed him 'Wise Man' Djere, a name that was later passed on to his son." This trio of failed artists — a would-be writer, a would-be musician and now a failed painter — is implied in the French title, "Les derniers rois mages" (The Last Magi), under which the novel was published in 1992. But while the first two "wise men" were ridiculed for worshiping the old king's memory, Spero earns Debbie's contempt for refusing to do so.

And here lies the difference, in this novel, between Antillean and African-American perspectives on being black. Reverence for the African ancestor is ridiculed in the Caribbean (and by the expatriate stuck on Crocker Island), but in America, Debbie and other black academics treasure the king's memory and the myth of illustrious African origins. Spero's contempt for Debbie's Afrocentrism is fueled by his Caribbean perspective, and he longs to return home — "but how can you return home empty handed with holes in your pockets . . . with nothing to show but mossy white hair and osteoarthritis?"

A prolific novelist, playwright, essayist and critic, Conde has always explored and questioned the African diaspora's notions of origins, home, exile and racial identity. Her first four novels (also published in English), "Heremakhonon," "A Season in Rihata," "Segu" and "The Children of Segu," are all situated in Africa, and her Caribbean protagonists travel, literally or figuratively, throughout the Caribbean and to Europe, Africa and the United States. She knows this territory well: At 16 she left Guadeloupe for France, and she later lived in Guinea and Ghana.

AFTER returning "home" to Guadeloupe, Conde did not really settle there but has accepted a succession of teaching positions in the United States.

In "The Last of the African Kings," Spero whines and Debbie preaches, but neither has ever been to Africa. In search of answers to "what it means to be black" and whether it "means anything at all," their daughter Anita remains silent and has gone to work on development in Africa.

*Kathleen M. Balutansky, who teaches Caribbean literature at St. Michael's College, wrote this for The Washington Post.*

## BRIDGE

By Alan Truscott

FOR more than 40 years, books have described the annual world team championship. They have become progressively better, and the latest is the biggest and best.

It describes the 10th World Team Olympiad, played a year ago on the Greek island of Rhodes, and its 406 large pages are loaded with fully analyzed hands, photographs and history. The chief editor and writer was Eric Kokish, and he was supported by Beverly Kraft, Barry Rigal, Richard Colker and Brian Senior.

The Open Series had 71 teams and the Women's Series had 43, both records. Russia made a mark at the world level for the first time by reaching the quarterfinal. Its team then had to face the eventual champions, France, and lost heavily in spite of a gain on the diagrammed deal.

The French experts use transfer bids in a wide variety of situations. In the diagrammed auction, East's two-diamond overcall showed hearts, and West was thereby provoked into doubling four spades. Alexander Petrounine, the Russian North, gambled with a redouble, judging that he had more to gain than lose. The sequel proved him right, for the contract was unbeatable.

The best the defense could do, perhaps, was take three trump tricks, and they did not manage that. The declarer, Dmitri Zlotov, won the opening heart lead and led a spade. When West erred by putting up the ace, he found he could make only one more trump trick; South was able to deal with the nine eventually. He scored a redoubled overtrick and might have managed that even if West had correctly played the three of spades at the second trick. The finesse of dummy's seven would have had a happy outcome for the declarer, and is perfectly plausible in light of the double.

In the replay, the Russian East made a normal overcall of two hearts, and South bid three hearts, another transfer, this time to spades. The contract was again four spades doubled, but this time there was no redouble. South did not find the play of finessing the spade seven, which was made at some other tables, and the contract made exactly. Russia gained 10 imps, thanks largely to the redouble.

NORTH (D)
♠ K 7
♡ A K 8 6
◇ 7 4 2
♣ A K 8 2

WEST
♠ A Q 9 3
♡ 4
◇ J 8 6 5 3
♣ J 6 4

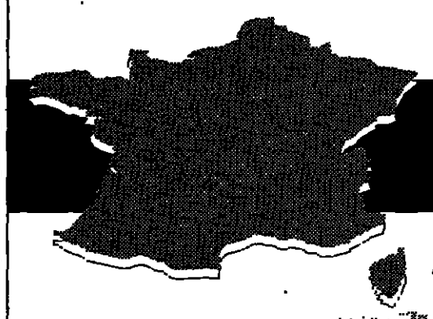
EAST
♠ 6
♡ J 10 9 7 5 2
◇ K Q 10 8
♣ 5 3

SOUTH
♠ J 10 8 5 4 2
♡ Q 3
◇ A
♣ Q 10 9 7

Neither side was vulnerable. The bidding:

| North | East | South | West |
|---|---|---|---|
| 1 N.T. | 2 ◇ | 4 ♠ | Dbl. |
| Redbl. | Pass | Pass | Pass |

West led the heart four.

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## INTERNATIONAL

# Scientists Achieve Teleportation, but Captain Kirk Will Have to Wait

By Curt Suplee
*Washington Post Service*

WASHINGTON — For the first time, scientists have demonstrated a form of teleportation — the perennial dream of science-fiction writers — in a tabletop experiment.

Researchers from the University of Innsbruck in Austria, who reported their success in Thursday's issue of the journal Nature, caused something to vanish at one point and reappear instantaneously a couple yards away in the lab even though there was no physical connection or form of communication between the two sites.

The term "teleportation" conjures up images of objects disintegrated in one place and reassembled in another. In this case, what the Innsbruck team teleported was a physical condition: the state of a photon, a particle of light, that was destroyed in one place and simultaneously showed up in another.

They did not, however, transport anything massive, much less something as ponderous as a "Star Trek" commander.

"Even for an object as small as a bacterium," said Charles Bennett, an IBM fellow who was one of six theorists who predicted the teleportation effect four years ago, "it would be extremely hard and would probably be more trouble than it was worth."

Unlike the transfer of signals by radio waves, there was no kind of connection between the two locations. Instead, the information was carried by a ghostly process called "quantum teleportation."

"In theory," said Anton Zeilinger, one of the Innsbruck scientists, "there is no limit" to how far the process can send something. In a few years, the technique might make possible hugely sophisticated "quantum computers," new means of encrypting messages and novel ways to store information about unstable entities such as atoms that are just about to decay.

The experiment relied on two peculiarities of quantum mechanics, the often mystifying rules that govern the behavior of matter and energy on the smallest scales. In those dimensions, physicists discovered early in this century, objects such as subatomic particles do not have specific, fixed characteristics at any given instant in time.

Instead, each particle exists in a sort of wave-like miasma of superimposed probabilities that it will have a particular position or momentum, or some other state. In fact, an individual particle does not actually have any definite properties until it is measured. The act of measuring somehow forces a particle or photon suddenly to collapse into only one set of values.

A second, even weirder, peculiarity involves certain physical processes that produce pairs of particles that must by nature have opposite or complementary characteristics.

But like any other quantum object, neither half of the coordinated duos — called "entangled pairs" — has specific properties before it is measured. This poses some outlandish possibilities, as Albert Einstein and his collaborators Boris Podolsky and Nathan Rosen noted in a famous 1935 analysis.

Suppose, they reasoned, that an entangled pair of particles, A and B, is created, and each particle flies off into space in the opposite direction. Suppose further that one waits until the particles are millions of miles apart, and then measures particle A. That act of measurement forces A to assume one fixed set of properties out of its myriad possibilities.

But because the other half of the entangled pair, B, has to have the opposite properties, the act of measuring A instantaneously "tells" B what to be. If the particles are millions of miles apart, that means that those instructions would somehow have to travel between A and B far faster than the speed of light, an outcome utterly forbidden by the laws of physics.

Numerous experiments have shown that the effect Einstein contemptuously dismissed as "spooky action at a distance" is a fundamental aspect of nature.

Indeed, the effect is the principle behind the Innsbruck experiment. Mr. Zeilinger and his colleagues wanted to see if they could teleport quantum information between a sender and a receiver; in this case, two clusters of apparatus on an optical equipment bench.

The team created an entangled pair, and sent one photon (A) to the sender position and the other (B) to the receiver position a meter or two away. They then sent the receiver a third photon (C), whose specific polarization constituted the information or "message" they wanted to transmit.

The sender equipment combined C and A and scrambled them together into another entangled pair. Then it measured the pair, destroying both photons in the process. The polarization of C was already known, and A had to be the opposite of C. But also, by definition, A had to be the opposite of B, the photon that went to the receiver position. So if A was the opposite of C, and B was the opposite of A, then B had to be the same as C. That is, the polarization state of the C photon should have been teleported accurately to the B photon — even though the two had never been in contact.

When the experimenters looked at the photon detector at the receiver position, that is exactly what they found time after time. An Italian team recently achieved similar results, according to a companion report in Nature.

"I would give a lot to know what Einstein would think about this," Mr. Zeilinger said.

# Doctors Order Yeltsin to Rest, But Deny It's a Heart Problem

By Daniel Williams
*Washington Post Service*

MOSCOW — Doctors on Thursday further restricted the activities of President Boris Yeltsin, who remained at a government sanatorium recovering from a sudden illness.

The limits indicated the careful handling regarded necessary for the Russian leader, who suffered a heart attack last year and underwent quintuple bypass surgery.

On Thursday, the presidential spokesman, Sergei Yastrzhembsky, denied a Washington Post report on Wednesday that Mr. Yeltsin had experienced renewed heart trouble, the Interfax news agency said

"It is an acute viral infection," Mr. Yastrzhembsky said in Kiev, where he was attending a meeting with Ukrainian officials.

To back up its assessment that there is no cause for alarm, the government made public a video of Mr. Yeltsin meeting with his chief of staff, Valentin Yumashev, who visited Mr. Yeltsin at the Barvikha sanatorium. Mr. Yeltsin, dressed in an open-collar white shirt and green-and-red cardigan, appeared to be conversing animatedly with Mr. Yumashev. No soundtrack accompanied the footage. He looked drawn as he shook hands with Mr. Yumashev and walked a few steps.

"The president is feeling uncomfortable," a statement issued by the Kremlin said.

Because of a sore throat, doctors told Mr. Yeltsin to cancel his weekly radio address, which was scheduled for Thursday. In a telephone call, President Petar Stoyanov of Bulgaria agreed to postpone a visit to Moscow scheduled for mid-December. Mr. Yeltsin's medical team ordered him to rest indoors for at least 10 days.

Mr. Yeltsin had already canceled a meeting with legislators and cabinet members over pending legislation on land ownership.

This is the first time since last winter that Mr. Yeltsin has suffered major health problems — in December 1996, he caught a flu that developed into pneumonia. His role as arbiter of intragovernmental disputes makes a prolonged absence from the scene detrimental to getting business done, observers say. A series of illnesses put Mr. Yeltsin out of action for eight months until his return to public view in February. During the period, Russia drifted, its finances falling into disarray.

This bout with ill health comes at a particularly inconvenient time. The government has been trying to persuade international financiers that it can exert fiscal discipline on itself and so qualify for needed loans. Russia's stock market declined almost 5 percent Wednesday and more than 6 percent Thursday.

"All major decisions now depend on the state of Yeltsin's health," said Andrei Piontkovsky, a political observer.

Mr. Yeltsin's heart surgeon, Dr. Renat Akchurin, said Thursday that the illness had nothing to do with the open-heart surgery Mr. Yeltsin underwent 13 months ago to replace blocked blood vessels. The acute respiratory infection is a banal cold, Interfax news agency quoted him as saying.

Sean Dempsey/Agence France-Presse

A war veteran protesting the meeting between Mr. Blair and Mr. Adams.

# Notes From the Bronchial Philharmonic

By Bernard Holland
*New York Times Service*

NEW YORK — The first voice is from the rear, a soft, sharp report that is both introduction and request. The answer is quick and comes from above, a broader, deeper, stronger effusion. The duet serves as trigger: Now a sudden burst of voices arrives from every side.

Then silence.

These are not the Venetian brass of Gabrieli calling across the inner expanses of St. Mark's Church. This is New York's premier concert hall at Lincoln Center, and these are coughers. A concert is going on onstage, another one out here in the seats.

What is this bronchial philharmonic? Concert coughers are victims in the eyes of the medical profession, offenders in the ears of music lovers. It is a natural, often unconscious defense mechanism against invasive secretions.

But as Dr. Richard Irwin, a specialist in all things pulmonary and allergic at the University of Massachusetts, said in an interview, most of us can suppress and forestall our urges: hence the frequent explosions of mass relief at the end of movements and between pieces. Dr. Irwin also notes studies showing that child coughers by day are not necessarily child coughers by night. In other words, the sufferer has more unknowing control than the daylight hours tell us.

If coughers are indeed empowered, why don't they just shut up? Classical music audiences feel the totalitarian heel as few others: They are an oppressed lot. No conductor will turn around and ask the gentleman in the third row how he liked the last phrase or whether he thinks the cellos are in tune.

But that doesn't mean that the gentleman will not find a way to make his general attitude known.

Audiences have a mighty weapon: the cough. A single cough, in all its wondrous variety of intensity and texture, invalidates the musician-listener contract. And it takes only one to establish communication. Our hackers are sending a message: I am bored. I don't like this piece. It's too long. I wish it were over.

The process is not necessarily mysterious. For when listeners who want to cough are not engaged, they just don't work as hard to behave. Dr. Irwin says that many of his chronic coughers reluctantly absent themselves from public performances.

A near-controlled experiment happened just recently when Colin Davis and the London Symphony Orchestra played Sibelius at Lincoln Center's Avery Fisher Hall. The Fourth Symphony is not an extroverted work. Coughers sang along with every movement. The Seventh Symphony is more direct: few coughs at all. The audience loved the evening's soprano soloist, Katarina Dalayman, and said so in two ways: with great applause and not a single cough.

If listeners are not always sound music critics, they are at least effective ones. Engage my attention, move and excite me and, flu season or not, I shall give you a silence so charged as to be a sound all in itself. Play boringly, indifferently, aimlessly, or play music I don't like, and you will hear from me.

Listeners can be wrong about the music, but they smell a good performance.

Moviegoers talk or whisper, but they rarely cough.

For those outraged by the cougher's art, Dr. Irwin offers little solace.

"The most common cause of an acute cough is the common cold," he said. "Adults average two to four colds every year. Each lasts two to three weeks. Coughing is predominant in 90 percent of patients the first few days, gradually going down to 20 percent." Children are the lurking instigators, he said. "They have six to eight colds a year, and adults in contact with them are going to catch that many more themselves."

Coughing, quite simply, is a spastic upward motion designed to repel unwanted boarders from our pulmonary system. Dr. Irwin won't give an opinion on the cougher as music critic.

However, he does point out that patients chronically short of breath somehow speak long, unbroken sentences in moments of high involvement or excitement.

## Concert Hall Cough A Form of Criticism

# ULSTER: *Blair Welcomes Sinn Fein Chief to No. 10 Downing Street for Historic Meeting*

Continued from Page 1

underway in Belfast. The party has obtained increasing recognition from Britain, a country that once so reviled Mr. Adams that his voice was not allowed to be broadcast here.

In a step leading to the meeting Thursday, Mr. Blair visited Belfast in October and greeted Mr. Adams for the first time. Then, as now, there were no photographs permitted of the closed-door gatherings.

Usually a dour figure, Mr. Adams was beaming when he stepped forth from the residence and said he felt Thursday was "a moment in history," a claim that even his critics and opponents would not quarrel with. It had been 76 years since Michael Collins, the last Irish republican to cross the threshold of the official residence of British Prime Ministers, had come to see David Lloyd George. That meeting led to the partition of the six Northern countries from what is now Ireland and cost Mr. Collins his life within a year from members of his movement unhappy with the deal he had struck.

Mr. Adams said Thursday that he was here to complete that "unfinished business."

More recently, the IRA had tried to bomb the site of Thursday's meeting, lobbing mortars at No. 10 Downing Street in 1991 while Mr. Blair's predecessor, John Major, was meeting with his cabinet in the same room where the Sinn Fein delegation gathered. The shells fell harmlessly in the rose garden.

Among the subjects that came up in the talks, Mr. Adams said, were transfers of Irish prisoners from British to Irish jails, demilitarization of the conflict and demands for a reopening of a widely questioned British inquiry into the killings of 14 civil rights marchers by British paratroops in Londonderry in 1972 on what has come to be known as Bloody Sunday.

A convicted IRA killer, Liam Avarill, 32, escaped from the Maze prison outside Belfast on Wednesday night by disguising himself as a woman at the end of a Christmas party for the children of jailed republicans, and Mr. Adams caused a furor Thursday by saying he wished him "good luck" on the lam. At Thursday's meeting, Marjorie Mowlam, the British secretary for Northern Ireland, pointedly told Mr. Adams his words "had not been helpful."

Among those expressing anger over the encounter Thursday was Andrew Hunter, a Conservative member of a parliamentary committee on Northern Ireland. He said the invitation had been "premature" and that the IRA cease-fire was not to be trusted because, he said, the organization was still recruiting, training and conducting private punishments. "They are remorselessly exploiting the process," he said.

Ulster Protestants have condemned the meeting since it was first announced last month. On Thursday, Ian Paisley, leader of the Democratic Unionist Party, said: "The whole thing was an exercise of outrageous hypocrisy and deliberate lying. Here we saw the godfathers of those who planned the bombing of Downing Street, standing outside there and piously pretending they were engaged in a search for peace."

# SUMMIT: *Muslim Leaders Unite to Denounce Israeli 'Terrorism'*

Continued from Page 1

argued that the Islamic conference could prove more effective by seeking common ground.

"Muslim states have to arrive at the fact that cooperation is possible in spite of some differing outlooks," Mr. Khatami said.

The meeting was the largest international gathering in Iran since the revolution in 1979, and Iran appeared to have been successful in using it to patch strained relations with neighbors that have regarded it with suspicion.

The main focus of Iran's charm offensive included Saudi Arabia and Egypt.

By the end of the meeting, top officials from both countries said they believed there were grounds for improved relations with Iran.

Yasser Arafat, the Palestinian leader, who has been pilloried by Iran for accepting peace terms with Israel, also held what by all accounts were warm and positive meetings with Iranian leaders during the conference.

And Bahrain, which has in the recent past accused Iran of meddling in its affairs and supporting Shiite Muslim dissidents, also signaled that the meeting had brought first steps toward improving relations.

"I see there are new directions here, which we hope will bear fruit in the near future," said Sheikh Mohammed ibn Mubarak al Khalifa, the Bahrain foreign minister, who met with Mr. Khatami on Thursday.

In the aftermath of recent killings in Algeria, Pakistan and Egypt by Islamic militants, the final statement issued by the delegates included a sharp condemnation of terrorism committed in the name of their religion.

"The killing of innocents is forbidden in Islam," the statement said.

It also denounced an American law that requires punishment of companies worldwide that do business with Iran and Libya.

The Muslim leaders also agreed to hold their next summit meeting in Qatar in 2000 and to hold a foreign ministers' meeting in the Qatari capital, Doha, in March, despite objections voiced by Egypt.

### ■ Iran-Iraq Contacts

President Khatami met the Iraqi deputy president, Taha Yassin Ramadan, on Thursday in the highest-level contact between the two countries since their war from 1980 to 1988, Reuters reported from Tehran.

Both men said after the 25-minute meeting that they had agreed to hold more talks to settle their differences.

# KYOTO: *With Historic Accord, a Global Truce Is Reached in War Over Climate Change*

Continued from Page 1

part of the compromise figure worked out by conference delegates.

"This is a modest but significant step forward in what will be a long-term battle to protect the Earth's climate system," said Alden Meyer of the Union of Concerned Scientists, an independent environmentalist group.

Reaction to the pact among environmentalists was mixed but generally positive. The Sierra Club called it a "narrow victory." A spokesman for Greenpeace, Kalee Kreider, supported the plan and said it "means we managed to keep the oil industry from completely derailing the negotiations." But the World Wildlife Fund blasted the agreement as flawed and said it "plays into the hands" of the industries that opposed it.

"This agreement represents unilateral economic disarmament," said William O'Keefe, chairman of the Global Climate Coalition, a lobbying group that represents several major U.S. industries. "It is a terrible deal, and the president should not sign it. If he does, business, labor and agriculture will campaign hard and will defeat it."

While delegates were able to reach final agreement on many components of the pact — including the U.S. proposal to include six major greenhouse gases within the established limits rather than three — discussion on many others was postponed by the conference chairman, Raul Estrada-Oyuela of Argentina.

The head of the U.S. delegation, Stuart Eizenstat, said the accord "will enhance our growth, create new opportunities for technology and create a level playing field for U.S. industry." Mr. Eizenstat is undersecretary of state for economic, business and agricultural affairs.

In a victory for the Clinton administration, the pact includes an endorsement of market-based mechanisms aimed at encouraging innovation and cutting the cost of compliance for businesses and consumers. The agreement creates a means for companies in rich nations to provide technology and money to help cut emissions at power plants and other polluting sites in underdeveloped nations. U.S. officials argue that such joint ventures reduce emissions in poorer nations and act as a "bridge" toward involving them in a more comprehensive program of emissions reductions.

But in a setback for the United States, a decision on many details of programs affecting the more than 130 developing nations at the conference was delayed for nearly a year, until global climate talks in Buenos Aires in November. The postponement was forced by opposition from developing countries, chiefly India and China, which made a last-minute stand against the proposals.

Developing countries also rejected more ambitious calls to curb the growth of their own greenhouse gas emissions. U.S. officials had repeatedly called for "meaningful participation by key developing nations" in the treaty, a goal that Mr. Eizenstat said the Kyoto conference had not met.

"It appeared almost as if some wanted to block any deal at any cost," Mr. Eizenstat said.

The failure of developing nations to take stronger action raises serious questions about whether the treaty can win U.S. Senate ratification. The most contentious issues postponed Thursday will be referred to subgroups of the conference for study and more debate before being presented next year in Buenos Aires.

Meanwhile, U.S. opponents of the pact said they would waste no time in attacking an accord they said would cripple the nation's economy. Representatives of steel, coal, oil, automotive and other industries that oppose the treaty lambasted it. Representative James Sensenbrenner Jr., Republican of Wisconsin, said it would mean a loss of U.S. jobs and higher energy costs. "America got a very bad deal," he said.

## BRIEFLY

### *Farrakhan Blasts Sanctions on Iraq*

BAGHDAD — Louis Farrakhan, leader of the U.S. Nation of Islam, said here Thursday that the world faced more danger from an arrogant American superpower than from Iraqi weapons of mass destruction.

Mr. Farrakhan, speaking after meeting senior Iraqi officials, condemned U.S.-backed sanctions against Baghdad as a "mass form of terrorism" and urged Muslim states to jointly violate the embargo if they could not force the United Nations to lift it.

"How long is the administration prepared to make the Iraqi people suffer over some suspicion that if we lift sanctions, Iraq will again engage in making weapons of mass destruction?" Mr. Farrakhan said.

"I think probably the greatest threat to world peace is a superpower whose leaders are blinded by the arrogance of their power," he said. *(Reuters)*

### *Israel Can't Pledge To Meet Deadline*

JERUSALEM — Israel said Thursday that it could not promise to meet Secretary of State Madeleine Albright's deadline next week for key decisions on peace.

Prime Minister Benjamin Netanyahu is expected to meet Mrs. Albright next Wednesday but may need more time for cabinet discussion of Israel's view of a final peace deal with Palestinians, said Danny Naveh, an aide to the prime minister.

Asked if a debate could be completed in time for his meeting with Mrs. Albright, Mr. Naveh said: "We are certainly not convinced of it."

But he said the cabinet would have to decide on the final settlement before taking up the question of a interim handover of more West Bank land to Palestinians. *(Reuters)*

### *U.S. Removes Mines Around Cuba Base*

MIAMI — U.S. Marines are removing anti-personnel mines ringing the U.S. military base at Guantanamo Bay in Cuba, a military spokeswoman said.

Thousands of mines are buried along the 17.5-mile (28-kilometer) perimeter of the base in the southeast corner of Cuba. They were first sown in the early 1960s.

The clearing operation began in September 1996, but because of security concerns it has received little publicity. *(Reuters)*

# CHEERS: *Daily Drink Is Healthy*

Continued from Page 1

study and director of analytic epidemiology for the American Cancer Society, added a note of caution to the results of the study, saying: "The study does not represent the major hazards of alcohol abuse. It does not include people who drink themselves out of a home or a job, and does not include anyone under age 30, but it does reflect the experience of large numbers of people with fairly stable drinking patterns in middle age and beyond."

One drink was defined as five ounces (150 milliliters) of wine, 12 ounces of beer or one cocktail.

Researchers found that nearly all the benefit from moderate drinking was because of a reduction in the risk of cardiovascular disease. People with the most to gain were men and women at high risk for heart attack or stroke because of hypertension or high blood cholesterol, or people who already had heart disease.

Alcohol can help the heart in two ways: by reducing the likelihood of blood clots, which can trigger heart attacks, and by raising the blood levels of HDL cholesterol, which is protective. The anti-clotting effect takes place quickly, within hours of drinking, but HDL takes several weeks to rise with daily drinking and may take a year or so to reduce a person's risk, Mr. Stampfer said.

Despite the clear advantage of moderate drinking, the researchers presented their findings with strong caveats, emphasizing that too much alcohol is dangerous, and that 100,000 deaths a year in the United States are related to alcohol abuse.

Study subjects who had four or more drinks a day were three to seven times as likely as nondrinkers to die from cirrhosis, alcoholism and cancers of the mouth, throat and liver. And in people under 30, alcohol is linked to an increased risk of death from accidents, violence and suicide, Mr. Thun said.

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BRIEFLY

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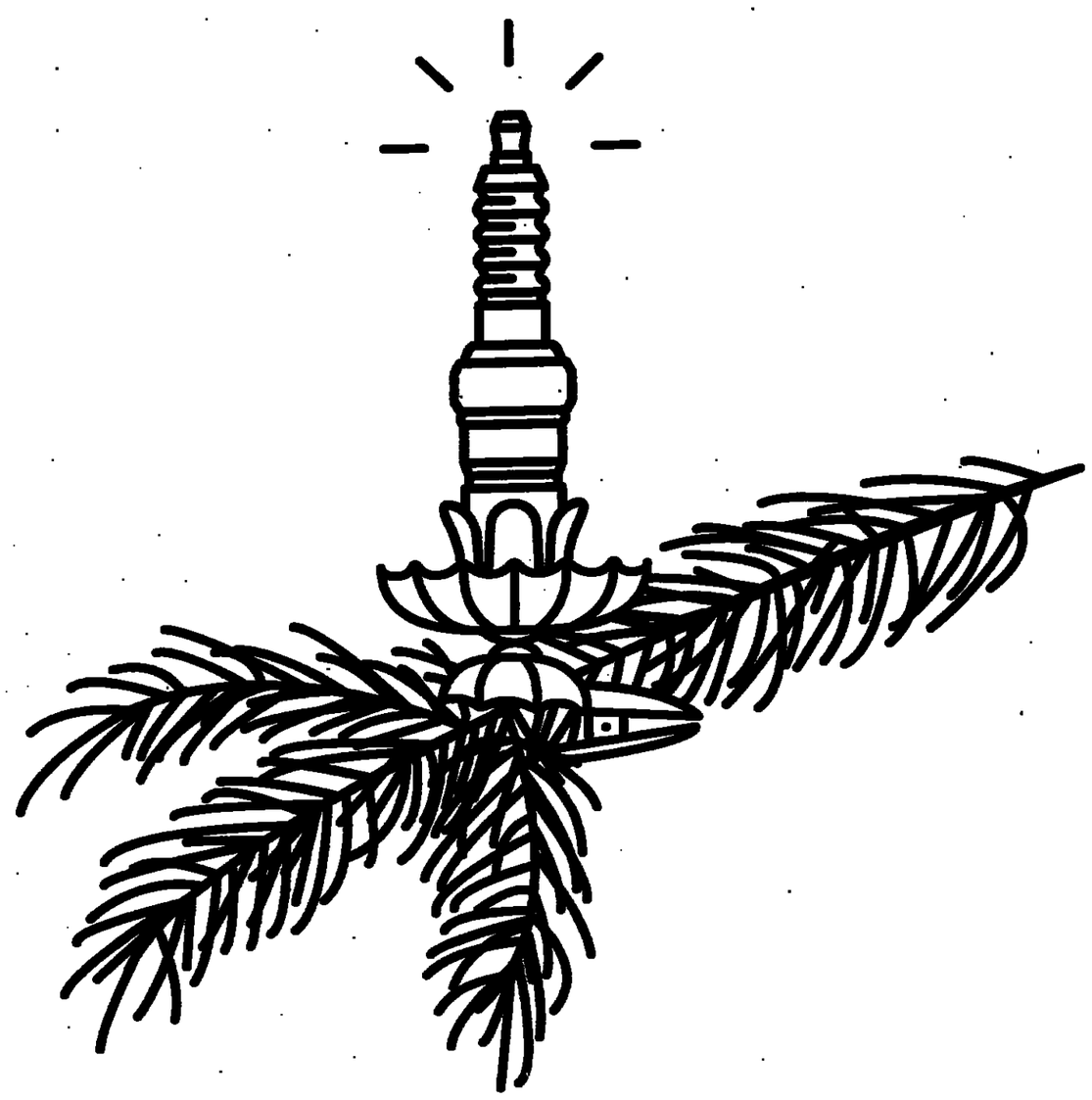
# With our best wishes for a sparkling holiday season.



Our customers live in many different parts of the world, and celebrate their holidays in many different ways. Still, our thoughts at this festive time are much the same everywhere. They are quite simply to wish all our loyal customers, friends and associates, wherever they may be, a bright holiday season and a Happy New Year.

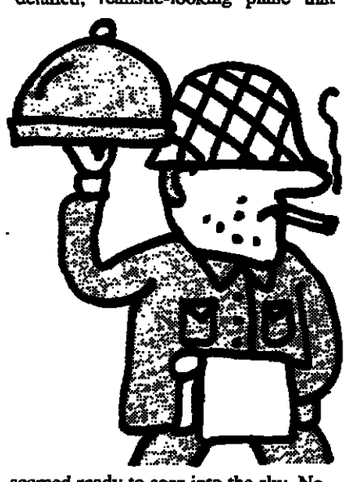
OPEL

# Some Distinctive Gifts From Dave Barry's Grab Bag

MIAMI — One of my happiest childhood memories is of racing down the stairs on Christmas morning to see what Santa Claus had brought. It felt like a dream. In fact, it was a dream, because I lived in a ranch-style home that did not have stairs.

When I woke up, I would race horizontally into the living room to see the stash of gifts. Sometimes Santa brought a shiny new bicycle with many shiny new unassembled parts lying on the floor where my father had abandoned them at 4:30 A.M. after giving up on trying to understand the instructions (STEP 143: Insert 3/16-inch hexagonal toggle truncheon clockwise into camber gasket and tighten mortise nut until your hand bleeds).

Sometimes Santa brought me a model-airplane kit consisting of a tube of cement and 576,000 plastic parts, every single one labeled "strut." It took a lot of time and patience, but if you followed the directions carefully, you could assemble these parts into an incredibly detailed, realistic-looking plane that



seemed ready to soar into the sky. Notice I say you *could* do this. I always ended up with what looked like a large mutant dung beetle, permanently bonded to my desk by lumps of dried cement the size of walnuts.

Sometimes Santa brought me an electric train set. I'd put it together and watch as the train went around the track, around and around and around and around and around. Ha ha! What fun! My trains gave me endless hours of pleasure for maybe 20 minutes, after which it was time to conduct scientific experiments to resolve such important questions as: What happens if the train is rolling down the track and a bowling ball is rolling in the opposite direction? (Answer: bad things.)

Over the years, Santa brought me many wonderful gifts — gifts that I remembered long after I broke them, which generally happened before my parents woke up. Yes, the right gift can create a memory that lasts a lifetime, and that is what the annual Holiday Gift Guide is all about.

Each year, I and my staff here at the Holiday Gift Guide receive hundreds of gift suggestions from around the United States. Gifts that trigger a very special, very strong feeling in the recipient — a feeling that is almost impossible to describe; a feeling that will not go away even if the recipient undergoes electroshock therapy.

We comb through these suggestions carefully, looking for gift ideas that are tasteful, attractive or useful. We burn these with a blowtorch. Then we comb through the remaining ones and carefully select the few items that meet the strict Holiday Gift Guide standards, which are:

1. The item must be an actual product that some company, possibly as a result of heavy narcotics usage among upper management, believes somebody would actually buy.

2. The item must have arrived here at the Holiday Gift Guide Testing Center in time to undergo our rigorous Quality Control Procedure, which consists of taking a picture of the item. Here are some of our selections:

• **LEATHER GUM CASE** $9.98 plus shipping and handling from Lillian Vernon, Virginia Beach, Virginia.

Ask yourself this: How many times have you been in an intimate gathering with a high-level individual such as the queen of England, the pope, or Regis Philbin, and you wanted to offer that individual a stick of chewing gum, but you were ashamed to do so because your gum was in its original cheap, tacky foil packaging?

If you are like most people, your answer is "literally thousands of times." That is why you, and all those on your holiday gift list, need this handcrafted-leather monogrammed chewing-gum case with a snap closure. This is without question the highest-quality gum case that has ever come our way. Pull this baby out of your purse or pocket at a fancy dinner party, and the other guests are bound to exclaim: "There is an individual with plenty of class!" Especially if they have had a lot to drink.

• **SPORTSPERSON'S SAFETY HARNESS** $14.97 plus shipping and handling from The Sportsman's Guide, 411 Farwell Avenue, South St. Paul, Minnesota, 55075.

Every year, a certain number of hunters fall out of trees — an occurrence that can result in tragedy if the hunter lands on an innocent animal. Also the hunter might get hurt.

That is why we strongly recommend this safety harness for the active tree-lurking sportsperson on your holiday gift list. One end of the harness is strapped firmly to the sportsperson's body, and the other end is attached to the tree. Thus if the hunter falls out of the

tree, instead of landing on the ground, he will be dangling in the air, where playful bears can bat him around like a tetherball.

Or, if the sportsperson prefers not to climb the tree, but merely lean against it while consuming some refreshing beverages, he can still use this harness to keep himself from slumping to the ground if he should happen to lose consciousness.

Likewise, business executives can use this harness to prevent themselves from tumbling out of their chairs when they fall asleep during meetings. We happen to know for a fact that all members of the U.S. Supreme Court are required to wear this harness under their robes.

• **DIAL-A-STYLE** $5.99 each, plus shipping and handling from The Dial-a-Style Company, 360 Grand Ave., Suite 146, Oakland, California, 94610.

Every once in a while, here at the Holiday Gift Guide, we see a gift item that makes us ask: "Why didn't WE think of that?"

And then we realize that the answer is: "Because we have at least some tiny semblance of a life."

The Dial-a-Style hairdo simulator is exactly that type of gift idea. This is a plastic wheel with 18 different hairstyles on it; you can order a blond, brunette, redhead or other styles. You place the wheel over your driver's license photo (or any photo of similar size) and, by turning the wheel, you can see what you would look like with short or long hair, or as a blond, brunette, redhead, etc. Using this amazing product, we were able to ascertain that, no matter what hairdo we have, we look like a complete dork. We realized that our best move, hairwise, would be to wrap our entire head in bandages and never take them off.

You can also put the Dial-a-Style on newspaper photos of top world leaders and celebrities to see how, for example, Vice President Gore would look with long blond hair. He would look great, in our opinion. We would vote for him in an instant. We also feel that he should accessorize with pearls.

We have reason to believe that this is the same device that leading international jet-set hairdressers such as Vidal Sassoon use to take the guesswork out of determining the perfect hairstyle for their famous celebrity clients such as Ivana Trump, Barbara Walters and Lassie.

• **STEERING WHEEL TRAY** $19.98 plus shipping and handling from Taylor Gifts, 600 Cedar Hollow Road, Paoli, Pennsylvania, 19301.

More and more, busy American motorists are taking advantage of the time they spend driving to make phone calls, fix their hair and makeup, eat, read, write letters, knit, play Scrabble, etc. Unfortunately, most automobiles are designed as though the driver is primarily interested in — this is SO quaint — driving. Right where you need a work space, there's this big, basically useless steering wheel, which is hardly a suitable surface for the kinds of activities engaged in by today's motorist.

That's why we here at the Holiday Gift Guide were so pleased to find out about this handsome steering wheel tray, which slips right over the steering wheel, thus providing the motorist with a small platform featuring a degree of strength and stability that is obtainable only with really flimsy plastic. According to the manufacturer, this tray is to be used "in parked vehicle only." To which we here at the Holiday Gift Guide respond, "parked, shmarked."

We believe that, among many other uses, this tray will enable today's busy business executives to work on their laptop computers while they drive, making them highly productive from the moment they get into their cars until the moment they ram into a bridge abutment.

This would also be a superb gift for long-haul truckers, motorcycle messengers, airline pilots and cruise-ship captains. Six of the top 10 finishers in this year's Indianapolis 500 were using this tray.

• **ANGEL WINGS** $89.95 plus shipping and handling from The Pyramid Collection, Altid Park, P.O. Box 3333, Chelmsford, Massachusetts, 01824.

Here is the ideal gift for the person on your list who wishes — as so many fashion-conscious people do these days — to work a great big mass of turkey feathers into his or her wardrobe. This is a large pair of wings that you tie to your shoulders, thus immediately creating a fashion look that makes the unmistakable statement: "Either it is Halloween, or I have failed to take my medication."

These wings have become very fashionable for daytime business wear by high-level executives of large corporations, not to mention several top NFL coaches. It is our understanding that Dan Rather also owns 11 pairs.

• **MILITARY FOOD FROM 1995 AND 1996** $49.97 per case of 12, plus shipping and handling from The Sportsman's Guide, 411 Farwell Ave., South St. Paul, Minnesota, 55075.

This is the ultimate gift to give to anybody who always has guests dropping in for dinner at the "last minute" and wishes to serve them something that will cause them to never return.

These are Meals Ready to Eat (MREs), manufactured by government contractors during 1995 or 1996 to the demanding specifications of the U.S. military. The meals come in the form of various brown packages containing substances, labeled with names such as PORK CHOW MEIN and CHILI MACARONI, that you are supposed to eat.

Several of us here at the Holiday Gift

Guide personally sampled the OATMEAL COOKIE BAR, and we agreed that, even though it looks a lot like that compressed wood that is used to make cheap furniture, it does not taste as good.

But taste is not everything. With each MRE, in addition to the food substances, you get a SPOON and an AC-

Susan Goldenberg/IHT

CESSORY B PACKET that contains, to enhance your dining pleasure: SALT, COFFEE, SUGAR, CREAM SUBSTITUTE, HOT SAUCE, TOWELETTE, CHEWING GUM and MATCHES. Just like your fine restaurants!

• **INCH MASTER WAISTBAND STRETCHER** $39.50 plus shipping and handling from Solutions, P.O. Box 6878, Portland, Oregon 97228-6878.

Have you ever had a pair of pants with a waist that was too small? In the pathetic old days, the only solution to this problem was to lose weight, or get bigger pants. But no longer! Now, thanks to this astounding invention, you can actually stretch that waistband by as much as five inches, according to the manufacturer. Granted, when you wash the pants, the waist goes back to being too small, which means you have to stretch it again. But at least you don't have to lose weight or get bigger pants! That's a waste of your time!

You can also carry this device with you to fancy dinner parties where you plan to eat a lot. After dinner, you can just excuse yourself and go into the bathroom to add vital inches to your waistband. Or perhaps you can do this right at the dinner table, to the amazement and delight of your guests. We understand that the president does this frequently at White House events.

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## STOCKING STUFFERS

# Pop Sounds For Cool Yule

By Mike Zwerin
*International Herald Tribune*

PARIS — Sometimes it seems as though the holiday season is not much more than an excuse to rack up record sales. In this case record record-sales. On the other hand, you might also say that any excuse to hear new choice sounds can't be all bad.

• **CHARLES MINGUS** "Passions of a Man, The Complete Atlantic Recordings, 1956-1961" (Atlantic, six CDs): Listening to a body of work of this magnitude, it is hard to understand how people of goodwill and intelligence cannot accept jazz as a first-class creative endeavor second to none. And how can Mingus be considered anything other than a major composer without qualifying adjectives? It's been — what? — 50 years now we've been asking the same questions.

The rules have changed, of course, and it takes time for people who are set in their ways to adapt. Part of the problem lies in the fact that Mingus's music is not "composed" in the time-honored 18th-century meaning of the word. Rather it is "cast," as a director casts a movie. Casting is part of the creative process.

Pepper Adams and Jimmy Knepper (it was said that had they married there would be a Pepper Knepper) and Eric Dolphy and Jackie McLean are instruments not instrumentalists. Mingus hired them because he knew what they'd do in a given situation, and that it would never be the same thing twice.

And classicists have trouble accepting the blues as a legitimate alternative to the sonata form. Mingus had one of the purest, most inventive of blues interpretations. It does not date. The music remains a true reflection of late 20th-century America — maybe even early 21st.

• **PAUL SIMON** "Songs From The Capeman" (Warner Brothers): Simon's first new album in six years is based on the story of a 16-year-old Puerto Rican boy named Salvador Agron who was jailed for killing two young boys during a fight. He liked to wear capes, he was called "The Capeman." Released from prison in 1979 after 20 years, he began to write poetry and "he never committed another violent act," according to Simon. The lyrics are a collaboration between Simon and the Caribbean writer Derek Walcott.

Simon started to work on it while finishing the Brazilian-based "Rhythm of the Saints." He found that it wasn't all that far from Brazil to Puerto Rico. The story begins in the 1950s. The island ambience is mixed with doo-wop and Afro-Cuban episodes. The melodies are romantic to the point of kitsch, and they tend to resemble one another. They are, however, principally a vehicle for the lyrics, for storytelling. The line "Frenchie Cordera goes down to Hell's Kitchen to sell the Irish some weed" is accompanied by a montuna.

Sometimes it's kind of like a kind of uptown talking blues. Or like Leonard Cohen. Only Simon's storytelling leans on melody instead of the rhythm or the dirge. The story is steeped in romance and the melody serves as decor. The story comes first. This is about as good as pop music gets today. Ruben Blades sings the role of the older Salvador Agron.

• **"PAINT IT BLUE"** The Songs of the Rolling Stones" (Ruf): The late Luther Allison ("You Can't Always Get What You Want"), Johnny Copeland ("Tumblin' Dice") and other major blues singers interpret songs written by the Stones (Junior Wells does "Satisfaction," Taj Mahal "Honky Tonk Woman"). Reversing the cultural flow brings . . . satisfaction.

• **JOHN COLTRANE** The Complete 1961 Village Vanguard

Christian Rose

*Charles Mingus: A major composer, period.*

Recordings" (Impulse!): 1961 was a very good year for John Coltrane. And The Village Vanguard was a very good place. "Softly As in a Morning Sunrise," "Impressions," "Chasin' the Trane," "Greensleeves" and so on through four generous CDs including alternate takes in a well-designed package with photos, artwork and informative notes. Hearing it 36 years later, all in the same bag (or box if you prefer) like this, it just about literally moves you out of your chair. Strange — if anything, it was considered too intellectual back then. Have we evolved or has the music or both? It bounces, it frolics, it even gambols.

• **ELVIS COSTELLO** "Extreme Honey" (Warner Brothers): Subtitled "the very best of the Warner Brothers years," this product is part of the war of escalating credits. "Best" no longer means much. We want the "very best" at the very least. Verbal escalation notwithstanding, this selection of songs, some of them written with Paul McCartney, is indeed very, very good. The immediately recognizable and satisfying clear roughness of his voice is like sandpaper on silk. Marc Ribot's detuned guitar, Steve Nieve's grand piano and the Brodsky Quartet help pull you in.

• **JOE HENDERSON** "Porgy and Bess" (Verve): As often as the material has already been recorded, the suave tenorman still adds to it (with Chaka Khan, John Scofield, Tommy Flanagan, Sting . . . ).

• **KENNY WERNER** "A Delicate Balance" (BMG): With Dave Holland and Jack DeJohnette, one of the most delicate and balanced piano trios of them all.

• **DON LANPHERE** "Don Still Loves Midge" (Hep): It takes a Scottish record company to distribute Lanphere's rare surviving genuine "Four Brothers" tenor sound out of the rainy wilds of the state of Washington.

## MOVIE GUIDE

### AMISTAD

*Directed by Steven Spielberg. U.S.*

Midway through Steven Spielberg's "Amistad" and its long-overlooked story of a slave-ship mutiny and subsequent trial, the film finally presents the experience of captivity from the viewpoint of its main African character. He is the leader of this rebellion, the fierce figure who became known as Cinque. (His African name was Sengbe Pieh.) This somber-hued film erupts into lush color for a glimpse of Cinque's wife and child in their peaceful village, and sees him gaze warmly at their backs as they walk away from him forever. Then, with no warning, Cinque is ambushed and captured, destined to be sent halfway around the world. Viewers wishing to avoid waterworks can only be grateful that Spielberg denies the wife and child a backward glance. Power in Hollywood: a tired subject if ever there were one, but "Amistad" demonstrates what it really means. It's the ability to use images like this flashback, and like the stark, agonizing depiction of the captives' Atlantic crossing right afterward, to create the full empathy and immediacy this subject matter deserves. It's the ability to make a $75 million holiday movie about a shameful chapter in American history simply because one thinks that's the right thing to do. Thus the worthiness of "Amistad" is irrefutable, as are its credentials despite the legal uproar over source material. But what the estimable "Amistad" does not have is an Oskar Schindler. It has no three-dimensional major character through whose flawed human nature an unimaginable atrocity can be understood. The specific, as in Cinque's being torn from his family, is overwhelmed by generality. And this is a film in which John Quincy Adams, played by Anthony Hopkins as a wise old curmudgeon faithfully devoted to his houseplants, is the zestiest character by far. "Amistad" dares to begin on a mythic note, starting with furious images of shipboard mutiny. Lurid as this is, it soon gives way to the more straightforward storytelling that Spielberg handles with greater ease. En route from Havana, slaves rebel and take control of the Spanish ship that is outrageously named La Amistad (Friendship), hoping to return home to Africa. Instead, they are tricked into unfriendly waters. Jailed in New England and put on trial, the Amistad slaves remain a mostly undifferentiated group except for Cinque. A language barrier also separates them from much of the film's main action, although the Steven Spielberg of "E.T." knows winsome ways of showing what it means to be a stranger. The slaves are horrified by Matthew McConaughey, as a lawyer whom they call Dung Scraper, and the audience may not react much more kindly. Amiable matinee idol that he is, McConaughey should cease and desist from affecting mannerisms from previous centuries or playing any more smart lawyers. With Stellan Skarsgard and the seriously underused Morgan Freeman as top-hatted Abolitionists, Anna Pacquin as the giddy 11-year-old Spanish Queen who claims the slaves as her property, David Paymer as a secretary of state, Pete Postlethwaite as the government prosecutor making a case against the Africans and Nigel Hawthorne as President Martin Van Buren, "Amistad" has many an occasion for speeches and bons mots. But none of the rhetoric, not even the oratorical heights reached when John Quincy Adams takes on the Supreme Court, can compare with the Africans' story. And the best parts of "Amistad" are those that simply bring their pride, fear and outrage to life. As Cinque, the former model Djimon Hounsou gives the film a strong visual focus as he radiates extraordinary presence and fury. If all that he, Spielberg and "Amistad" accomplish is to secure for this story its place in history classrooms, that would suffice. Hounsou also acts his role quite movingly within the narrow confines of the screenplay credited to David Franzoni, a script whose fine points are now a matter of dispute. At least one point of contention, the helpful rapport that develops between Cinque and Adams, seems entirely organic to the movie. It doesn't take Barbara Chase-Riboud, the historical novelist who has accused the filmmakers of plagiarism, to see the storytelling value of letting these opposites attract. *(Janet Maslin, NYT)*

Andrew Cooper/DreamWorks Pictures

*Cinque (Djimon Hounsou, center) and fellow captives in "Amistad."*

### MILICE, FILM NOIR

*Directed by Alain Ferrari. France.*

The notorious Milice, created by the Vichy government in 1943, lived only two years, yet the fascist spirit of France's Nazi army had roots in the prewar period and survives among members of Jean-Marie Le Pen's National Front. Alain Ferrari's engrossing documentary investigates the history of the far right, with interviews of men who swallowed the ideology young, and have no remorse. Very different men — Leon Gaultier, an intellectual, worked with the head of the Milice, Joseph Darnand; Georges Rouchouze, a country bumpkin, ended up in Le Pen's party; Henri Minvielle, from a big provincial family, still seems to think he joined the Boy Scouts. It wasn't the Boy Scouts — the Milice arrested, tortured and killed fellow Frenchmen, resistants, members of the pre-Vichy government. The daughters of Georges Mandel and Jean Zay are interviewed, as well as Francoise Basch, the granddaughter of Victor Basch: Mandel, murdered by the Milice, Zay killed and thrown into a well, Basch arrested at home with his wife — their bodies were left on the roadside. Among the descendants is the fascinating case of Philippe Darnand, the son of Joseph Darnand, whose father wrote him, before his execution, "You're going to have a hard time bearing my name." Actually the son seems to have as little remorse as the older generation. But the film falls short. We would like to see more of these men than head shots; we would like to see them probed further. Ferrari, who conducted the interviews along with Bertrand Poirot-Delpech, keeps at a polite distance from his cast of characters, without the caustic brilliance of Marcel Ophuls or Claude Lanzmann. With "The Sorrow and the Pity" and "Shoah," they may have broken a few rules, but they revolutionized the documentary. *(Jean Dupont, IHT)*

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## A WORLD OF HOTELS

# Welcome to a Magic Life on Java

By Seth Mydans
*New York Times Service*

BOROBUDUR, Indonesia — An elegant entrée into a magic world on Java. The wake-up call came deep in the tropical darkness, at 4:15 A.M., and the first thought was: This is luxury?

A glass of orange juice, fresh coffee and a basket of hot rolls were waiting, and so were a car and driver. I and several other hotel guests headed into the dark, joining farmers on their bicycles who were on their way to market with large, square baskets of papayas.

Then, five minutes down the road, guards swung open iron gates and we entered the silent grounds of the 1,000-year-old Temple of Borobudur on the Indonesian island of Java to watch the sunrise, an hour before the temple opened officially for visitors.

Marco Saboia for The New York Times

*Rooms at Lapa Rios in Costa Rica look out on the Golfo Dulce and the Pacific.*

This special entrée is one of the luxuries of the Amanjiwo, the latest in a chain of 13 elegant hotels that have been opened around Asia over the last decade by Amanresorts to serve the most affluent of travelers.

A huge, semicircular complex in pale limestone that echoes the structure of Borobudur, the Amanjiwo, which opened in July, is an architectural amazement itself, commanding a nearby hillside with views of the temple and a pair of distant volcanoes.

As much as Borobudur pulses with the mysteries of ancient Java, the hotel too is an artifact of another culture, glowing at night — the comparison is inescapable — like a flying saucer from the world of Western affluence.

The 36 suites, half with their own swimming pools, are small palaces in themselves, mirrored and with high ceilings, surrounded by sliding glass doors, each with an outdoor sunken stone bath and a cushioned garden pavilion fit for a pasha. They are spacious but not warm, the stark decor of pale stone trimmed with teak.

The Amanjiwo offers a restaurant serving a limited menu of undistinguished Western and Asian food, a library, tennis court, large swimming pool and massages.

But as I stood almost alone at the pinnacle of the temple of Borobudur to watch the sky grow pale at dawn, wisps of music could be heard from nearby villages. This was not luxury but magic.

Suites are $345 in the off-season, June to August, $460 the rest of the year; suites with private pool, $490 and $650. A service charge of 10 percent and a government tax of 11 percent are added. Phone (62-293) 88333, fax (62-293) 88355.

### Belgium: Modernity In Old Antwerp

*New York Times Service*

ANTWERP, Belgium — "I love white," says Monica Bock, owner of De Witte Lelie, Antwerp's new favorite hotel, "because you see right away when it gets dirty." In her establishment, cleanliness is a cardinal virtue. Everywhere in the neat-as-a-pin 10-room hotel in Old Antwerp, contemporary sofas and armchairs wear smart, off-white dust covers.

My wife and I recently occupied a quiet junior suite two flights up in the former coach house, part of the interconnected three houses and outbuildings that make up the hotel. On the parquet floor, flat-woven kilims provided splashes of color.

Under the peaked roof, black-metal halogen lamps, stark against the white walls, created inviting islands of light. The large bathroom gleamed with marble. The antique, stripped wardrobe hid a minibar and a safe, leaving less than a lot of room for clothes. On a glass-topped table stood two decanters, one with sherry, the other port.

De Witte Lelie (The White Lily) stands on the Keizerstraat, one of the narrow, one-way streets of the old quarter, an area with attractions like St. Charles Borromeo Church, with its Baroque facade thought to be a Rubens design. The hotel consists of three step-gabled houses — the White Lily, the Spanish Arms and the Black Eagle — all built in the 17th century, when Antwerp was (after Paris) Europe's second largest city.

But inside, you're in a world of contemporary luxury, a striking, clean-lined decor combining modern furniture and occasional antiques.

In the spacious lobby, a gilt and crystal chandelier is suspended from the high, beamed ceiling. The floor is checkered black-and-white marble, Italian style, and french windows open onto the courtyard, trimmed with small evergreen hedges.

Each room has its individual character. No. 10, for instance, is rather small but comes with a large, teak-floored deck overlooking the interior courtyard. In No. 7, the eye-catching feature is a spiral staircase.

Breakfast is a cornucopia of breads, pastries, cold cuts, cheeses, bacon and eggs and cereals. The breakfast room, like the lobby, spills over onto the patio on warm days. It adjoins the all-white open kitchen, with its old-fashioned stove and meticulous shelving. There is no restaurant in the hotel, but for dinner Bock recommended the nearby Aurelia, which is tiny but pleasant.

Rates are $239 for doubles and $310 to $423 for suites, and include breakfast. Telephone (32-3) 226-1966, fax (32-3) 234-0019. Parking in the underground garage is $14 a day. *Eric Sjogren*

### Costa Rica: Living In the Rain Forest

*New York Times Service*

SAN JOSE, Costa Rica — Lapa Rios is not actually a treehouse, but that's what this immense thatched lodge in the jungle presiding over 14 elegant aerielike bungalows feels like. The resort stands on three narrow ridges rising above the Golfo Dulce and Pacific Ocean on the isolated Osa Peninsula in southwestern Costa Rica, known for abundant wildlife.

Lapa Rios is a haven for people who love rain forests, both a romantic retreat and nature observatory. But if you go there only for tranquillity and ample, well-prepared meals you'll find those, too — with a menu that stresses grilled fish, fresh vegetables, tropical fruit and opulent desserts.

The lodge sits at the end of a road 45 minutes by four-wheel drive from a gravel-topped airstrip where roosters crow. We arrived after a 50-minute flight from San Jose, one that can take twice as long with stops.

Karen Lewis, who owns the resort with her husband, John, was waiting with the promise of cool, fresh blackberry juice, a map of the lush grounds and a short orientation. Lapa Rios is built on once cleared land, now grown into a young jungle, beside the Lewises' 1,009 acres (410 hectares) of rain forest. We sipped the juice — icy, delicious and topped with a flower — at a table on the deck, looking out at the spectacular view stretching east to Panama. The green hillside dropped to the crescent-shaped shore edging the sea, a mix of the Pacific and the deep Golfo Dulce, which meet at the peninsula's tip.

Our bungalow lay 50 steps below the lodge. First, there was a short walk past a scenic deck with a gourd-shaped swimming pool. Near the deck, a three-toed sloth hung from a tree. Orange monkeys played on the hill.

One side of our aerie was rooted in earth; the other was on stilts. From the bedroom, a large deck cantilevered beside treetops. Languid folds of mosquito netting swathed two comfortable queen-size beds.

Like all 12 bungalows, ours was positioned to catch the sea breezes and stunning views. The last bungalow, for those in good shape, lay beyond an arcade of hibiscus 182 steps below the lodge.

Any flaws? Well, jungle luxury doesn't come cheap. And on sunless days, when the solar panels nap, the showers are cold. Although they would find the wildlife appealing, the high decks at Lapa Rios are not suitable for small children.

The Lewises have purposely kept the dark sand beach below wild, without structures or chairs. The water is pleasantly warm; kayakers love it. Beach walks are enlivened by scuttling sand crabs.

Lapa Rios is about 12 miles from Puerto Jimenez, but the address for information is Post Office Box 025216-SJO706, Miami, Florida 33102-5216. Rates: $328 for two, including meals, tax and service charges. Guided forest walks and airport transfers are extra. Communication is by radio, though Lapa Rios's office in Puerto Jimenez has a phone, (506) 735-5130, and fax, (506) 735-5179. *Frances Frank Marcus*

### Japan: Relaxing At the Hot Springs

*New York Times Service*

SHUZENJI, Japan — When the pressures of modern, urban living mount, I fancy old-fashioned Japanese-style service — the kind that really pampers you. Recently, I persuaded my husband to forgo a fishing trip and join me for a brief respite at Sekirei So, a tranquil traditional inn.

This *ryokan* is on the outskirts of Shuzenji, set into the hills surrounding Shuzenji Temple on the Izu peninsula, less than two hours by train south of Tokyo.

We had wanted to stay in one of the two special suites in the Hana Tei annex, a rustic thatched-roof building with a charcoal-burning hearth in the center of each suite's main room and private access to the garden, but they were booked. The garden is far less than an acre, but landscaped to highlight the seasons— fiery maples and golden ginkos in the fall, camellia and plum blossoms framed against pines in winter, cherry trees and wisteria in spring and early summer. Though we were in one of 15 suites in the four-story main building, we felt utterly private in ours.

Visitors to a Japanese hot springs resort, or *onsen*, enjoy a leisurely soak in the main bath, just off the lobby — the only public rooms at Sekirei So — upon arrival and another dip before breakfast. That's what we did, wearing the hotel's yukata robes and haori jackets to and from.

At Sekirei So, as at most onsen hotels, men and women have separate entrances to the baths from areas for disrobing, furnished with cosmetics and hair dryers (men enter through the blue curtains, women the red). But every day at midnight, access is switched so that all guests can experience both.

Lavish cuisine, served in the privacy of one's suite, is a luxurious feature of a ryokan. The Shuzenji area is known for its shiitake and other wild mushrooms. These, and other local delicacies, are prominently featured in Sekirei So's 15-course dinner banquet, and 12-course breakfast feast.

Package plans are available; and higher prices are in effect on weekends and holidays; all require a minimum of double occupancy. Rates, from $204 to $452 a person, include breakfast and dinner without beverages. A total of 8 percent in taxes and a hot spring charge of $1.25 are additional. Phone (81-5) 5872-2031, Tokyo office (81-3) 3567-1595. *Elizabeth Andoh*

## ARTS GUIDE

### Austria

**Vienna**
**Kunsthistorisches Museum**, tel: (1) 525-24403. closed Mondays. To April 14: "Brueghel: Tradition und Fortschritt." The exhibition brings together 12 paintings by Pieter Brueghel the Elder and approximately 20 works on paper and 200 paintings by his two sons. Jan Brueghel the Elder (1568-1625) was a painter of flowers and still-life, while Pieter Brueghel the Younger (1564-1637) copied his father's work thus making it familiar to a wider public.

### Britain

**London**
**British Museum**, tel: (171) 323-8525, open daily. **Continuing/** To Feb. 1: "Cartier: 1900-1939." Includes creations in Egyptian, Indian, Chinese and Japanese styles.
**Hayward Gallery**, tel: (171) 928-3144, open daily. **Continuing/** To Jan. 4: "Objects of Desire: The Modern Still Life." Traces the evolving language of modern art through still lifes.
**Tate Gallery**, tel: (171) 887-8000, open daily. **Continuing/** To Jan. 4: "The Age of Rossetti, Burne-Jones and Watts: Symbolism in Britain, 1860-1910." Works of British and European Symbolist painters.
**Victoria & Albert Museum**, tel: (171) 938-8441, open daily. **Continuing/** To March 29: "Colours of the Indus: Costume and Textiles of Pakistan." More than 130 costumes and textiles dating back to the 1850s.

### France

**Paris**
**Grand Palais**, tel: 01-44-13-17-17, closed Tuesdays. **Continuing/** To Jan. 5: "Les Iberes"; to Jan. 12: "Prud'hon, 1758-1823"; to Jan. 26: "Georges de La Tour, 1593-1652."
**Musee Marmottan**, tel: 01-42-24-07-02, closed Mondays. To Feb. 28: "Berthe Morisot." The French Impressionist artist (1841-1895) first worked under Corot and became the favorite model of Edouard Manet, her brother-in-law. The exhibition features portraits and intimist scenes.

### Netherlands

**The Hague**
**Mauritshuis**, tel: (70) 302-34-35, closed Mondays. To March 29: "Princely Patrons: The Collection of Frederik Hendrik of Orange and Amalia van Solms in The Hague." Brings together 50 paintings from the collection of Frederick Henry, Prince of Orange (1584-1647) and his wife who created a veritable court in The Hague. Features works by Rembrandt, Rubens and van Dyck that are clear testimony to the couple's regal aspirations.
**Historisch Museum**, tel: (70) 364-6940, open daily. To March 29: "Princely Magnificence." Focuses on court life in paintings, engravings and objects that document the magnificence at the court of the Prince of Orange in the 1620s.

*Berthe Morisot by Manet: Her works are shown in Paris.*

### Spain

**Madrid**
**Museo Nacional Centro de Arte Reina Sofia**, tel: (1) 14-67-50-62. closed Tuesdays. To Jan. 12: "Fernand Leger." A selection of 140 works by the French artist (1881-1955), highlighting the artist's affinity with architecture, his work for the ballet, cinema and literature, and his strong political commitment.

### United States

**Fort Worth**
**Kimbell Art Museum**, tel: (817) 332-8451, closed Mondays. To March 1: "For the Imperial Court: Qing Porcelain From the Percival David Foundation of Chinese Art." 17th- and 18th-century porcelains of the Qing dynasty (1644-1911).

**Houston**
**The Menil Collection**, tel. (713) 525-9400, closed Mondays and Tuesdays. To March 29: "The Drawing Speaks: Theophile Bra. Works 1826-1855." The French sculptor (1797-1863) created thousands of visionary drawings that expressed his dreams and mystical experiences and anticipated the work of the Surrealists and Abstract Expressionists. More than 50 drawings are exhibited.

**New York**
**Metropolitan Museum of Art**, tel: (212) 570-37-91, closed Mondays. To March 22: "Gianni Versace." This exhibiton at the Costume Institute celebrates Versace's work in fashion and traces its inspiration from Warhol and modern abstract art, his appreciation of Greek and Roman classicism and features designs, some of them in plastic or metal-mesh, as well as costumes for theater. Also, to Feb. 8: "Jackson Pollock: Sketchbooks and Drawings." Works on paper by the American Abstract Expressionist painter (1912-1956).

### Music Marathon

**Cite de la Musique, Paris**, tel: 01-44-84-44-84. "New York Marathon." As part of a season-long cycle of American music, a series of seven concerts mostly of chamber music beginning Saturday at 3 P.M. and ending Sunday at 4:30 P.M. Gerard Fremy does John Cage's works for prepared piano and Antoine Herve does a take on Thelonious Monk; Lukas Foss and the clarinetist Richard Stoltzman play Foss, along with Gershwin, Bernstein, Copland and Hindemith: the ragtimes of Scott Joplin and William Bolcom and Stephen Foster songs are in the care of soprano Peggy Bouveret, pianist Jeff Cohen and clarinetist Carol Robinson; Michael Gielen and the Southwest German Radio Orchestra do works by Morton Feldman and Luciano Berio, musicians of the Ensemble Intercontemporain do quartets by George Crumb and Steve Reich, and the marathon ends with an all Charles Ives program by students of the Conservatoire de Paris.

### Closing Soon

Dec. 13: "Power and Virtue: The Horse in Chinese Art." **China Institute in America, New York.**
Dec. 14: "Gabriel Orozco: Recordings and Drawings." **Stedelijk Museum, Amsterdam.**
Dec. 14: "Paris-Bruxelles/Bruxelles-Paris." **Musee des Beaux-Arts, Ghent, Belgium.**
Dec. 14: "Michelangelo and His Influence: Drawings from Windsor Castle." **The Fitzwilliam Museum, Cambridge, England.**
Dec. 14: "James Ensor" and "Don McCullin: Sleeping with Ghosts." **Barbican Art Gallery, London.**
Dec. 14: "Art That Heals: The Image as Medicine in Ethiopia." **Walters Art Gallery, Baltimore.**
Dec. 14: "Potosi: Colonial Treasures and the Bolivian City of Silver." **Americas Society, New York.**
Dec. 14: "Imi Knoebel." **Musee de Grenoble, France.**
Dec. 14: "Joan Mitchell." **IVAM Centre Julio Gonzalez, Valencia, Spain.**
Dec. 15: "Heavenly Horses." **University Museum and Art Gallery, Hong Kong.**
Dec. 15: "Tresors d'Ukraine." **Musee National d'Histoire et d'Art, Luxembourg.**


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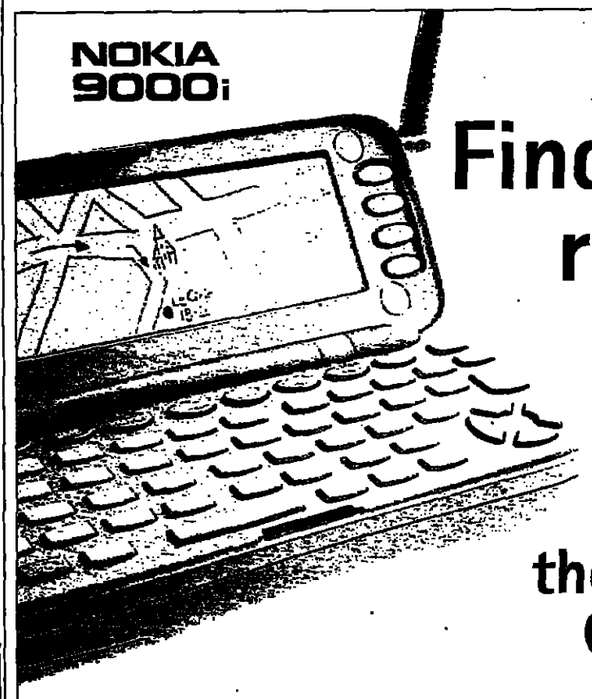


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This competition runs until December 19, 1997, covering 10 cities, one on each Tuesday and Friday over the five week period. If you miss a city, catch up on the competition Web site at www.iht.com. You can participate until January 19, 1998.

The Web site will run until February 22, 1998, to announce the winners.

At the end of the competition, all of the restaurants that were highlighted in the 10 cities will be available to all Nokia Communicator owners on a specially created International Herald Tribune Web site, specifically tailored and designed for use on the Nokia Communicator.

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3- Entries will not be accepted from staff, families and agents of the promoter in Nokia
4- No correspondence will be entered into. Proof of postage or e-mail is not proof of receipt. Incomplete or illegible entries will not be processed.
5- No cash alternative to prizes.
6- Winners will be drawn on February 9, 1998 and published on the competition Web site and in the newspaper on February 11, 1998.
7- On all matters, the editor's decision is final.
8- The Publisher reserves the right in his absolute discretion to disqualify any entry, withdraw or interrupt, or to waive any rules, in the event of circumstances outside of control arising which in his opinion, make it desirable to cancel the competition at any stage.

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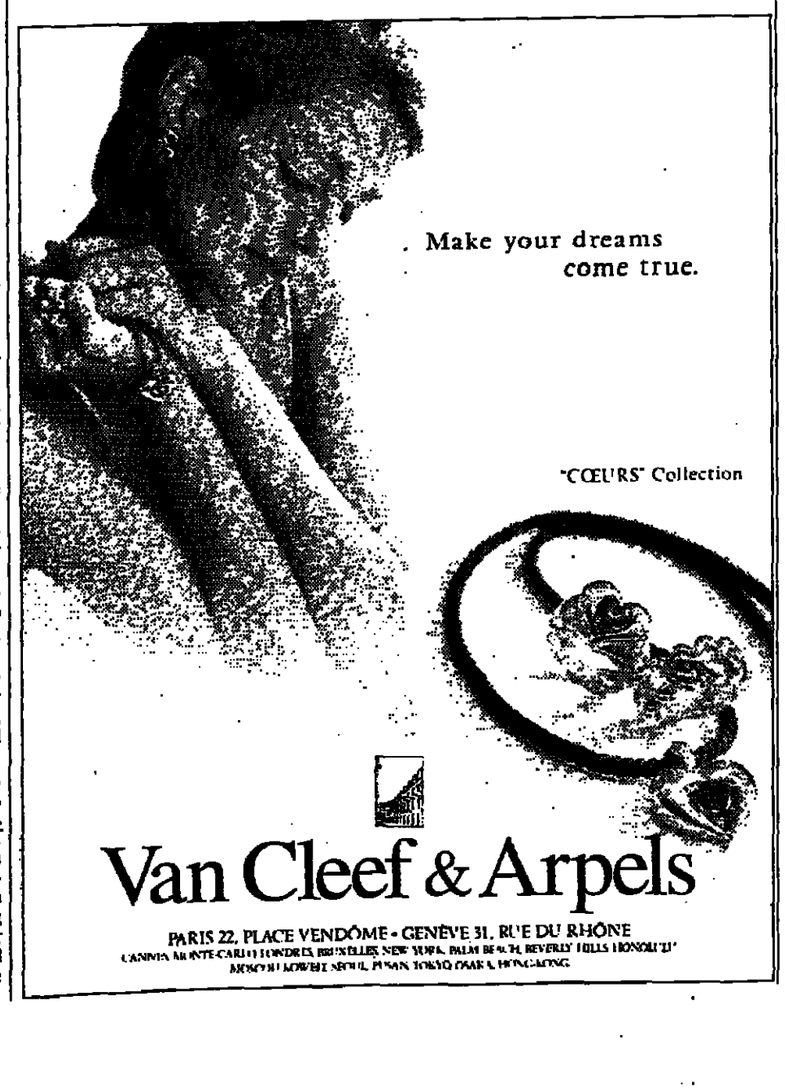


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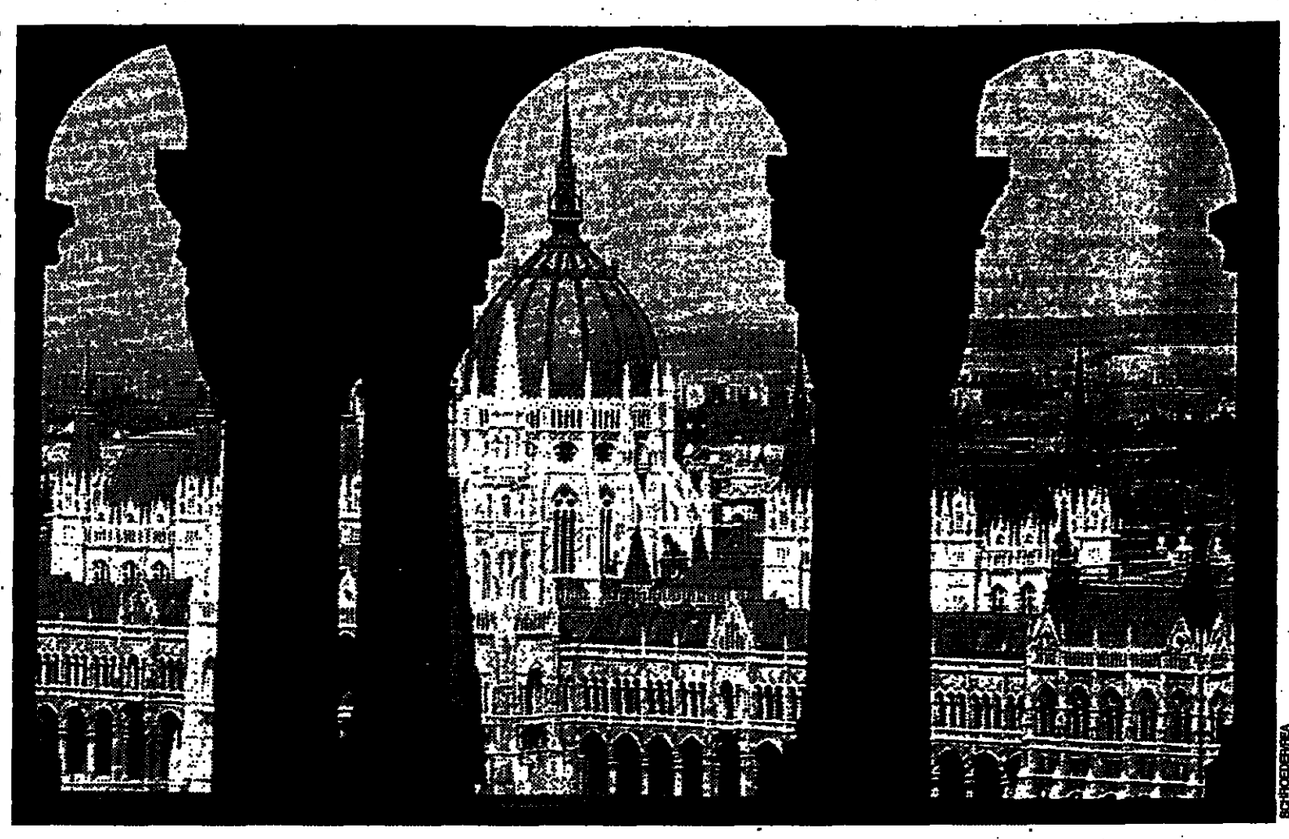
# HUNGARY

***As both NATO and the European Union open their doors to Hungary's membership, the country is more than ever focusing its efforts on harmonizing its economy and legislation with Western Europe. With gross domestic product growth forecast to rise from 4 percent to 5 percent over the next three years, Hungary is poised to build on its already promising economic foundation. The OECD, in a recent report on the country, has predicted a 'spectacular' surge forward.***



## STABLE, THE BETTER TO SURGE FORWARD

*"Stable" is how Hungary's leading economic policy makers describe its current situation.*

The Hungarian economy has grown steadily and strongly for nearly two years. The gross domestic product, after increasing 1.3 percent in 1996, is rising at a rate of more than 3 percent in 1997 and is forecast to grow at 4 percent to 5 percent over the next three years.

The economic policies implemented two and a half years ago have been unswervingly adhered to since then. It took a great steadiness of purpose on the part of the administration headed by Prime Minister Gyula Horn to do so.

These policies were deeply unpopular in the country — for good reason. In March 1995, faced with yawning deficits and a stalled privatization process, the administration presented a radical restructuring of its economy to the international business community along with a reform of its economic and social legislation.

Many of the country's "crown jewels" — much of its energy supply, telecommunications, financial, chemical and other key sectors — were put up for partial or total privatization. Prices were raised on everything from electricity to bread.

Drastic budget cuts chopped employment and wages in the public sector. The institution and enforcement of strict bankruptcy laws caused major corporations to fail. Over the next year, the standard of living fell by one-quarter.

**On second thought**

Since then, these policies have become widely accepted. As Miklós Blahó, spokesman for the National Bank of Hungary, points out: "The policies have brought visible prosperity to many parts of the country, particularly to western Hungary, and no worsening to the rest. There's a general feeling that the government has the economy — and especially the previous dangers of public sector indebtedness, inflation and unemployment — under control."

The government's budget deficit has gone from nearly 10 percent in 1994 to a forecast 4 percent in 1997, according to the National Bank of Hungary. Other estimates put the general governmental deficit, an indicator with a broader scope, at 3.1 percent. The country's ratio of total national government debt to GDP has declined, from nearly 90 percent to around 67 percent.

At 18 percent, the rate of inflation is still well above the West European norm, but down 56 percent from 1995. At a flat 10 percent, the unemployment rate is actually at a post-market-revolution low and is a half percentage point below the EU's average.

Another reason for the strong support of the Horn administration's policies is Hungary's "double sweep." On July 15, 1997, the EU's Council of Ministers selected Hungary and four other Central and East European countries to be included in the first round of the union's eastward expansion, with Hungary reportedly receiving the highest marks of all contenders. Particularly praised were the country's unflinching implementation of economic reforms and its strong commitment to democratic principles.

This fast-tracking toward accession to the EU was complemented six days later by NATO's invitation to Hungary and two other CEE countries to begin its admission process.

NATO's decision has to be ratified by its member countries. The negotiations with the EU will be protracted and probably difficult.

Says Laszlo Kovacs, the country's foreign minister: "Any difficulties notwithstanding, these decisions represent a tremendous vote of confidence in Hungary's path of development on the part of these bodies and were understood as such by our country's people."

In the mid-November referendum on joining NATO, 85 percent of Hungarians voted for membership, far exceeding the expectations of the Horn administration.

**Welcome instability**

But the GDP, inflation and unemployment figures are the only areas of stability in the Hungarian economy. The rest of the country's key indicators are unstable — in a positive way, pointing to a "spectacular" surge forward.

The adjective comes from the OECD, which recently published a report on the Hungarian economy. Behind the usually restrained OECD's words are a range of impressive performances. Building on a very strong year in 1996, Hungary's exports were up 17 percent during the first three-quarters of 1997. Should current trends be maintained, the rise will amount to 25 percent for the year, one of the largest increases in the modern industrialized world.

During the first nine months of 1997, imports have risen 15 percent, causing the trade imbalance (exports/imports) to decline to about 11 percent.

Tourism revenues have increased 18 percent. This has joined with a continuing influx of long-term investment capital — already amounting to $17 billion as of September 1997 — to trigger an improvement in Hungary's balance of payments.

**Facts and Figures**

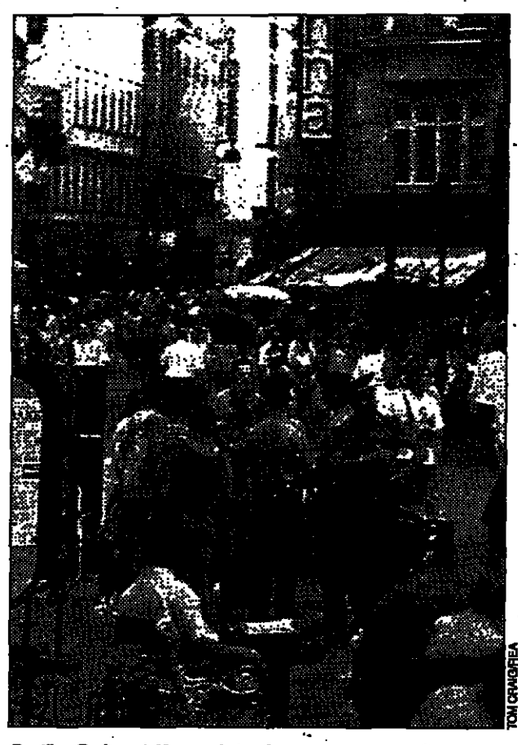
THE REPUBLIC OF HUNGARY

**Area:**
93,000 square kilometers
(37,200 square miles)

**Population:**
10.2 million

**Capital:**
Budapest (1.93 million)

**Other major cities:**
Debrecen (210,000), Miskolc (182,000)
Szeged (169,000), Pecs (163,000)
Györ (131,000)



TOM GRANGREA

*Bustling Budapest: Hungary's tourism revenues are up 18 percent.*

The export-driven demand has caused industrial production to rise a strong 9 percent, currently one of the best figures in the world, bringing the one-and-three-quarter-year increase to 14 percent. This rise was fueled by an 18 percent jump in the capital invested in the country's production sector.

The only figures not showing major rises are personal incomes and consumer spending. Both are up about 2 percent over those for 1996. This divergence is a deliberate consequence of the country's economic policies, says György Surányi, president of the National Bank of Hungary and one of the country's most important economic policy makers.

"The key to achieving sustained, long-term growth is to create a production sector capable of competing successfully on international markets," he says. "As the recent figures show, that's precisely what's being accomplished in Hungary. There is a relatively large but finite pool of capital in the country, and the government's policies have been designed to ensure that this is channeled into building up long-lived assets, and not into consumption satisfying short-term need."●

KOBSENDEKAFP

*Prime Minister Gyula Horn (right), Foreign Minister Laszlo Kovacs (center) and Interior Minister Gabor Kuncze in the Budapest election center after results indicated that 85 percent of Hungarian voters had supported the referendum on NATO membership.*


**In 1998, the International Herald Tribune will publish Supplements on**

**HUNGARY**
**(April 15)**

**EMERGING MARKETS IN CENTRAL & EASTERN EUROPE**
**(Part I, July 10)**
**(Part II, December 12)**

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THE WORLD'S DAILY NEWSPAPER

## THE VIEW FROM THE MINISTRY OF FOREIGN AFFAIRS

**Born in 1939, Laszlo Kovacs holds a degree in economics and political sciences. During his long career, he has served as the country's deputy minister and state secretary for foreign affairs. In 1990, he was elected to Hungary's Parliament. In July 1994, Mr. Kovacs was named minister of foreign affairs.**

*Hungary was invited to join NATO at July's summit in Madrid. This decision is now undergoing ratification by the member countries' legislative bodies. For Hungary, is this a time of closely monitoring the deliberations of 16 congresses and parliaments?*

It's a great deal more than that. It's been a time of intense activity for Hungary. These legislative bodies have concerns arising from their weighty, long-term responsibilities and not from short-lived emotions.

Membership in NATO is, after all, permanent and extensive in nature. These bodies also have questions. We've been going to these bodies to address their concerns and to answer their questions. The resulting interchange of information and perceptions has greatly facilitated and expedited the weaving of ties between NATO's member countries and Hungary.

*The people of Hungary came out resoundingly for membership in NATO in the recent referendum. Does this indicate that such thorny issues as the additional costs arising from this membership have been resolved?*

After a little bit of arithmetic was done, the cost issue defused itself. The figures show that achieving an adequate level of security would cost a "go-it-alone" Hungary three times the extra amounts set to be spent to bring our military forces up to NATO's levels.

NATO acknowledged that Hungary will be raising its defense outlays in real terms over the next few years. But this "up-front" investment in our national security is, of course, much, much smaller than the sums arising from dealing with a threat.

*'The process of European integration is momentous and irreversible. To do our homework for European integration, we have enacted, amended and enforced thousands of laws harmonizing our legislation with that of the rest of Europe'*

*The European Commission's proposal, made in July, seemed clearly delineated: to begin negotiations with Hungary and four other CEE countries on their accession to the EU. Now these negotiations are apparently being put in the broader context of reforming the EU's internal structures. Do you see any dangers of delay resulting from this?*

No. There's nothing new about the conjunction of an eastward expansion by the EU with a revamping of some of its operating procedures and organizational structures. Hungary will be a prime beneficiary of this process, which will produce a new-look EU, one well-equipped to account for the increased economic diversities and differentials evinced by its member countries.

I don't perceive any change in the basic consensus that informed the EU's decision to create discrete waves of CEE accession. The idea was to use the first wave as a way of ensuring that this accession would be a success from the outset. Selected to be part of the first wave were those countries most capable of rapidly integrating themselves into the EU.

The merits of this approach for both the EU and the second-wave countries are obvious. The lessons learned from and during the first, successful wave of expansion can be employed in the subsequent waves, thus easing and accelerating them.

Let me make a final point. The process of European integration is momentous and irreversible. To do our homework for European integration, we have enacted, amended and enforced thousands of laws harmonizing our legislation with that of the rest of Europe.

*Hungary is considered by Romania, Ukraine and other Central and East European countries not included in the eastward expansions of NATO and the EU as an advocate of their interests. What does this advocacy entail for Hungary?*

This advocacy is based on several entirely pragmatic considerations. Speaking in geographic terms, Hungary is anything but an island. We are bordered by no less than seven countries. Nor is it in our interest to have a political and economic chasm on our eastern and southern borders. Quite the opposite.

Our prosperity and security are dependent upon those of our neighbors — all our neighbors — and on maintaining close ties with them. Part of this advocacy involves making our accession and admittance transparent to our CEE neighbors — to Romania, to give one important example — so that Romania can profit from our experience when pushing for membership in these bodies.

This is entirely analogous to the situation faced by Hungary during Austria's accession to the EU. We were gratified by this development, as it signaled the EU's interest in expanding, and as it gave us an opportunity to watch the accession process from close up. We employed those findings in our own accession efforts.

But it would be wrong, entirely wrong, to paint this advocacy as a one-way process, in which Hungary is playing Big Brother to the less fortunate CEE countries. Rather, we rely on and avail ourselves of Romania's support and expertise in a number of areas. None of our neighbors have noticed any change in Hungary's tone of voice or actions since the summer's decisions. Nor will they. ●


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# HUNGARY

## A FAST-GROWING ECONOMY

*(figures in percentages unless otherwise stated)*

| | 1996 | 1997* | 1998** |
|---|---|---|---|
| GDP | 1.3 | 3-4 | 4-5 |
| INDUSTRIAL PRODUCTION | 3.4 | 10 | 10 |
| EXPORTS*** | 14.3 | 23-25 | 9-10 |
| CURRENT ACCOUNT BALANCE *(in % of GDP)* | -3.8 | -3.3 to -3.7 | -3.5 to -4.0 |
| INVESTMENTS | 6 | 11-13 | 12-14 |
| CONSUMER PRICES | 23.6 | 17 | 13 |
| BUDGET DEFICIT *(in % of GDP)* | 4 | 4 | 4 |
| NET EXTERNAL DEBT *(in $ billion)* | 12.5 | 10.7 | 10.5 |
| NET EXTERNAL DEBT *in % of GDP* | 28 | 24-25 | 22-23 |

*estimate, National Bank of Hungary
**forecast, National Bank of Hungary
*** Since 1996, also including free trade zones

Source: National Bank of Hungary

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TOM CRAGUE/REA

The banking sector is seeing rising rates of capital adequacy and profitability.

# PRIVATIZATION: GOING OUT WITH A BANG

*Privatization in Hungary has been among the most thoroughgoing such programs in the world.*

Hungary's privatization program enjoys two major distinctions. It is on track to become the first among the 19 such programs in the Central and East European region to be completed, with APV, the country's privatization agency, planning to wrap up operations on December 31, 1998.

Some 70 percent of the country's economy is now in private hands, one of the best figures in Europe. With a range of blockbuster transactions set for the end of this year and for 1998, that figure could rise to 80 percent.

This transfer has encompassed all of the country's economic sectors. It has also caused true changes of ownership, full-scale restructurings of the companies' operations and major improvements in their capital stock.

Many of the other countries' privatization programs have been somewhat nominal, amounting to the reshuffling of equity stakes among bodies controlled directly or indirectly by the public sector and/or national oligarchies, with no influx of new capital or managerial expertise ensuing in the process.

**Short, not always sweet**

This short reading of its accomplishments may lead to the impression that Hungary's privatization process unfolded straightforwardly and easily. That was not the case.

In 1995, the country's privatization program was facing a crisis. After the title transfer of some 10,000 small-sized enterprises, mostly to their operators, and the conclusion of a number of large-sized transactions, the program had bogged down in a mire of divided responsibilities, a diversity of methods and political squabbles about the program's proper scope.

Along with the Ministry of Finance, both the State Privatization Agency (AV Rt.) and State Holding Company (AVÜ) were busy privatizing, with no clear lines of demarcation between them. Virtually every method available was being tried out: straight sales, open tenders, ESOPs (employee stock option plans), Czech-style voucher plans, going public and "asset leasing" — including mixes of all of the above.

But the biggest problem was the lack of a clear commitment as to how far the privatization program could and should go, and what should remain in state hands.

In June 1995, the state privatization and holding companies were merged, forming APV. The new company was given a clear and comprehensive brief: to secure the best owners for the companies being privatized, "best" meaning the ones with the greatest store of capital and advanced technologies, and most capable of transforming the company.

To determine which of the potential purchasers was best suited to this task, APV increasingly used the open tender process. It is regarded by many analysts as being the fairest and most "transparent" of all privatization processes.

**The desired results**

The restructuring of the privatization program achieved the desired results. APV effectively relaunched the program in summer 1995, with spectacular results. Powered by the selling of equity stakes in a number of energy supply bodies and of a further tranche of equity in MATAV, the national telecommunications operator, proceeds from privatization hit the $4.57 billion mark for the year, a new record by far.

Impelled by further strong performances in 1996 and in the first half of 1997, the total proceeds realized through privatization totaled around $7 billion as of June 30, 1997. Of that, six-sevenths is from non-Hungarian investors. All told, some 1,600 major companies have been privatized by APV and its predecessors.

These figures are bound to rise. A wide range of privatizations has been set for the end of 1997 and the beginning of 1998, among them MATAV's initial public offering, which raised the market's capitalization by 50 percent. Still set for privatization by December 31, 1998 are up to 250 of the 366 companies remaining in APV's portfolio, with the remainder, including the country's nuclear power plants, remaining under state ownership.

The state has retained a "golden share" in several major companies. By the end of the privatization process, this number will have risen to 32. ●

SCHROEDER/REA

MATAV's initial public offering raised the Budapest stock exchange's capitalization by 50 percent.

# BANKING: MAKING OF A ROLE MODEL

*Domestic banks have been able to hold their own against foreign competitors.*

Hungary's banking sector is considered a role model by the other Central and East European countries' financial communities, not only because of the size of its accomplishments, but also because of the way in which they were achieved.

While most of the other CEE countries are still wrestling with the questions of how and when to privatize their banks, Hungary's banking sector is largely privately owned, with only about 30 percent of it still in the public sector's hands.

As low as it is, this figure will drop still further when the selling off of further equity stakes in several banks is completed. By the end of 1998, should all go according to plan, the government will have a majority stake in a single bank — the Hungarian Trade Development Bank.

Non-Hungarians hold roughly half of the equity in the privately owned banks, a share said to be among the highest in the world.

The domestic banks have displayed an ability to hold their own against their strong and supple foreign-owned competitors in the battle for premium market segments "because they have avidly and quickly learned from the foreigners, rather than insisting on sticking to old-fashioned methods of operation," says György Surányi, president of the National Bank of Hungary.

**Better fundamentals**

The capital and advanced banking methods introduced by the foreign banks, along with the growing solvency of Hungary's business community, have produced a major improvement in the banking sector's fundamentals. The percentage of non- and low-performing loans has declined to a mere 6 percent.

This is a major accomplishment, especially since it has been achieved during a period of rapid growth in commercial credit, with the total amount of outstanding loans to the corporate sector increasing 46 percent over the period from June 1996 to June 1997.

This easy availability of commercial credit is a matter of envy for other CEE countries, whose business communities are hamstrung by a lack of loan capital.

Hungary's banks also have sharply rising rates of capital adequacy (now averaging 16.9 percent, according to the National Bank) and profitability, up 6.7 percent over 1996.

These improving fundamentals have made Hungary an exception in the CEE region, where major bank bailouts and prop-ups are commonplace.

Despite the proliferation of credit cards, most of the other CEE countries still have cash-based economies. According to Mr. Surányi, electronic banking has become the rule among Hungary's corporations, with employees being paid via automatic transfers into their checking accounts.

Now it's the public sector's turn to jump on the bandwagon, with the city of Budapest's 300,000 employees moving from cash to electronic-based payment by the end of the year.

Although instituted over a short period of time, the electronic systems haven't experienced any major meltdowns. Nor does Hungary have a problem with ballooning consumer credit.

"Despite the ever-greater number of credit cards," says Mr. Surányi, "the amount of consumer credit has grown only slightly in Hungary. That is a by-product of the dampening of domestic demand resulting from our government's austerity program."

Well-established though it is, this role-model status is very new to Hungary's banking sector, which three years ago was considered the Achilles' heel of the country's economy.

In mid-1995, the banking sector was completing its second wave of recapitalization, designed to get its banks' capital adequacy up to minimum levels and to rid their portfolios of a crushing burden of nonperforming loans. The amount of foreign ownership was small. The weight of Hungary's net foreign indebtedness, largely accumulated by the Communist regime in the 1970s and '80s, had reached a record level.

**Perseverance furthers**

Throughout the early '90s, Hungary had been urged to negotiate a reduction or at least a rescheduling of its loans, as Poland and Russia had done. It staunchly refused. A matter of pride?

"Nothing of the sort," says Mr. Surányi, "rather of common business sense. Our track record of fulfilling our agreements, even under arduous circumstances, is one reason why investor confidence in Hungary has been so high. The debt load in and of itself proved a benefit to our country, forcing us to undertake major fiscal restructuring measures, measures now paying off in our good macroeconomic indicators."

Mr. Surányi sees the second recapitalization as a major turning point. "We made sure that our banks were privatized immediately after having been restored to financial health," he says. "This prevented the managers responsible for the banks' miseries from having a crack at repeating their performance and gave the new owners excellent starting points." ●

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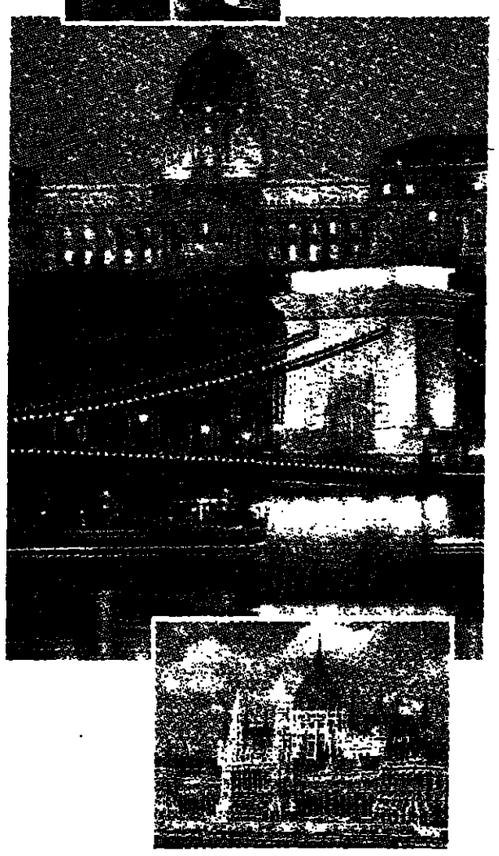
## *Budapest a city with a thousand faces*



*On both banks of the most European of rivers, the Danube, where mountains and plains meet is a city with the elegance of the West, the mystique of the Orient, the entrepreneurial flair of the North and the mediterranean flavour of the South. Budapest is pretty, exciting and bubbling with life, with broad boulevards, narrow little streets and fascinating architecture of old-world charm.*
*There is something for everyone here: art galleries, museums, a sumptuous opera house, concert halls, cosy, elegant restaurants, cafes and confectionaries with thousands of varieties of cakes. Budapest is often called the "Pearl of the Danube" but its multifaceted attractions make it real diamond too.*

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# NYSE

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*The Associated Press.*


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# Many Start to Ask: Why Spend to Prop Up the South Korean 'Domino'?

By Clay Chandler
*Washington Post Service*

WASHINGTON — South Korea's appeal for additional financial assistance from the United States and Japan has been delivered with an implicit threat: Let the Korean economy slide into default, and the rest of the world economy will suffer, too.

But on Wall Street and in Washington, the South Koreans' dire prediction elicits mostly shrugs.

The steady drumbeat of bad economic news from South Korea has some analysts warning of the dangers of a financial "domino effect," in which the collapse of the South Korean economy would trigger a new round of money crises throughout Asia and the rest of the developing world.

U.S. share prices fell substantially Thursday amid concern over the fallout from the Asian crisis.

But many investors, government officials and security specialists in the United States argue that it is just as likely that the South Korea domino — if it falls — would topple all alone, without much impact beyond its borders.

In the event of a South Korean default on its international financial obligations, "the impact for the United States economy would be relatively modest," said Morris Goldstein, a senior fellow at the Institute for International Finance.

"There has to be a limit" to the amount of international assistance available to poorly run economies, he said, and "the Koreans already have been given more than their share."

Some have suggested this week, in fact, that allowing an implosion of the South Korean economy might do more good than harm.

Peter Kenen, a specialist in international monetary policy at Princeton University, argued that the U.S. Treasury and the International Monetary Fund should pull the plug on the existing international bailout to South Korea to send a clear message to other emerging markets that they cannot expect to be rescued from their own mistakes.

"At this stage, frankly, I think it would be better to say we'll put up $50 billion for troubled countries that are the victims of Korean default and make an object lesson of the Koreans for their cavalier way of handling all this," Mr. Kenen said. In fact, a few U.S. analysts said they had already written off the South Korean economy.

"The truth of the matter is that Korea Inc. is already bankrupt," said Ed Yardeni, chief economist at Deutsche Morgan Grenfell Inc. in New York. "All that's left to do is file the papers. This is a zombie economy."

**'Korea Inc. is already bankrupt. All that's left to do is file the papers.'**

The South Koreans have options other than defaulting. One would be an additional cash infusion from developed countries. But there is little enthusiasm in the United States for extending further assistance to Seoul — U.S. banks' and corporations' lending exposure there is comparatively small, partly because of the many restrictions on foreign trade and investment in South Korea.

As of Oct. 8, the most recent date for which data were available, loans by private U.S. banks and corporations to South Korean enterprises totaled only $10.6 billion, or 2.9 percent of U.S. lending worldwide, according to the Federal Reserve. U.S. banks could probably write off their South Korean loans entirely without much pain, analysts said.

Still, many experts worry that South Korea could pose an indirect threat to the United States if it were to generate new pressures on already beleaguered financial institutions in Japan, many of which have extensive business relationships with U.S. banks and companies.

Japan is one of South Korea's biggest foreign creditors, and its banks are scrambling to stay above the minimum capital levels required by international banking standards as of March 31, the end of their financial year.

C. Fred Bergsten, director of the Institute for International Economics in Washington, argued that the link between South Korea and the Japanese banks lent credibility to the domino scenario. He said he could envision a calamitous chain of events in which the inability of South Korean companies to pay their Japanese creditors would cause Japanese banks to raise reserves by selling shares at home, driving down the value of the entire Japanese stock market, battering the yen and "sending shock waves all through Asia."

An estimate being widely circulated in Japan puts Japanese banks' lending exposure in South Korea at only $24.3 billion at the end of 1996 — a tiny fraction of the $570 billion in bad loans now on the books of Japanese banks, according to the Ministry of Finance. And some estimates say that Japanese loans to South Korea have been pared by 25 percent over the past six months.

"The financial issue has been overblown," Jesper Koll, chief economist at J.P. Morgan & Co. in Tokyo, said.

"A 1 percent decline in the value of the Tokyo property market would do much more damage than having to write off Korean loans altogether."

■ **U.S. Chip Firm's Shares Are Hit**

Kulicke & Soffa Industries Inc.'s shares plunged after the company said first-quarter earnings would not meet expectations because South Korean chipmakers were delaying orders, Bloomberg reported from Willow Grove, Pennsylvania.

The maker of semiconductor-production equipment said some orders were being rescheduled because of "uncertainty" among its South Korean customers.

In late New York trading, Kulicke & Soffa's shares were down $6.8125 at $18.0825.

South Korea makes about one-third of the world's memory chips, making it a key market for semiconductor-equipment makers such as Kulicke & Soffa.

Kulicke & Soffa said earnings for the quarter ending Dec. 31 would fall below an analysts' estimate of 38 cents a share. In the year-earlier first quarter, Kulicke had earnings of $419,000, or 2 cents a share, on revenue of $81.8 million.

The company said it believed underlying demand for semiconductors was strong and that its customers would continue to add capacity over the course of the year.

**Thinking Ahead** /Commentary

## Finally, Common Sense On Spread of Sanctions

### *Knee-Jerk Penalties Are Challenged in U.S.*

By Reginald Dale
*International Herald Tribune*

WASHINGTON — If you don't like the way a foreign country behaves, hit it with economic sanctions. That knee-jerk reflex has become so embedded in the American political psyche in the 1990s that U.S. sanctions have proliferated way beyond the bounds dictated by common sense or any rational analysis of American interests.

An astonishing 42 percent of the world's population is now targeted by American sanctions for 27 types of behavior ranging from terrorism to human rights abuses. Best known are U.S. government measures against "rogue states" like Libya and Iran. But Washington is no longer the only player.

Just as cities and townships declared themselves nuclear-free zones in the 1980s, now cities as big as New York and suburbs as small as Takoma Park, Maryland, are slapping penalties on Burma and Nigeria for human rights violations.

Major U.S. allies like Turkey, Saudi Arabia and Egypt are next on the list. And unlike nuclear-free zones, these local sanctions affect the real world — by hurting, not the offending countries, but U.S. and other multinational companies that do business with them.

It is no exaggeration to say that Washington's constitutional right to conduct foreign policy and the rules of the multilateral world trading system are at stake.

At last, however, there are signs that cooler heads may be starting to prevail. In a small but significant victory in Congress, opponents have succeeded in deferring consideration of a bill intended to penalize countries suppressing religious freedom.

Legislation has been introduced in both houses that would curb some of the worst excesses by setting tougher conditions for new sanctions and requiring stricter examination of their costs and effectiveness. The problem may still get worse before it gets better — many more measures are in the pipeline — but at least the argument is becoming less one-sided.

Up to now, it has been too easy for dedicated minority groups, such as the anti-Cuba lobby, to get their way without much resistance. Politicians have tended to see sanctions as a cost-free alternative to military force that helps them look as if they are taking a stand for American values and "doing something."

Those assumptions are now being challenged. Business groups such as USA Engage, which opposes unilateral U.S. foreign policy sanctions, and the European-American Business Council are spelling out the high costs of sanctions for U.S. companies and for American exports and jobs. Surprisingly, state and local sanctions emerge as particularly damaging.

Research by the Institute for International Economics has shown that U.S. sanctions have become less and less effective in achieving their objectives in recent years, especially when introduced without the support of other countries.

The opponents of sanctions are getting smarter. They stress their horror of terrorism and human rights abuses and insist that their aim is to find better ways to influence countries that perpetrate such evils. They agree that multilateral sanctions may sometimes work, as, for instance, against Iraq.

Such arguments, plus the flood of new business data, help weak-willed politicians to resist the moral blackmail often applied by sanctions advocates.

But new congressional guidelines will not be enough to bring U.S. sanctions under control. That will require much more decisive action by the administration — which will have to summon up its courage to go to court to reclaim the federal government's right to conduct foreign policy.

Business should broaden its anti-sanctions coalition, preferably by bringing in labor unions, difficult though that will be. If it can achieve that, the next step should be a much broader drive to remind Americans of the benefits of free trade and commitment to the multilateral system.

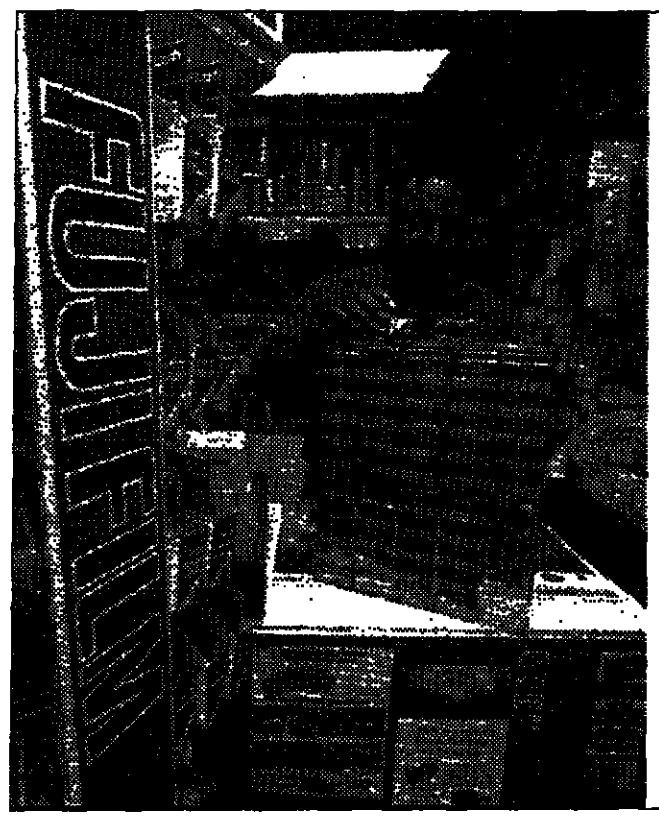
## EU Says Pact Near

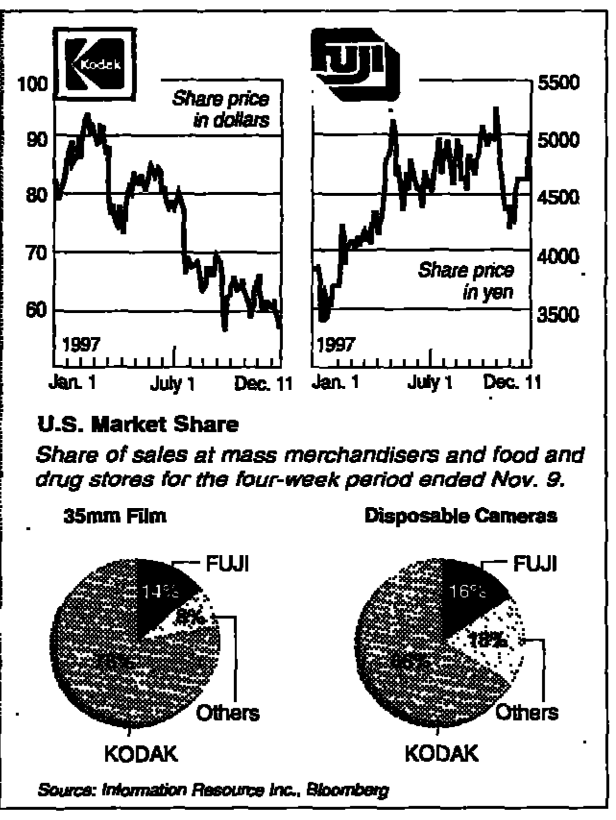
*Bloomberg News*

GENEVA — The European Union's senior trade official said Thursday that negotiators were near an accord to open the financial-services industry worldwide as talks aimed at reaching an international trade treaty entered the final stretch.

Sir Leon Brittan, EU trade commissioner, said the EU's Council of Ministers "unanimously supported the negotiated position of the EU."

There are "still a number of countries from whom we seek improvement, but I hope we will be able to reach a final deal" ahead of the deadline at midnight Friday, Sir Leon said.






*A Fuji display rack holding a prominent position at a camera and film store in Washington.*

## Fuji Builds a Brand as Kodak Fumes

### Aggressive Selling of Film and Cameras Brings Market Share to 19%

By Claudia H. Deutsch
*New York Times Service*

NEW YORK — Camera Land Inc., a specialty photo store in Manhattan, sells much more Kodak film than Fuji film. But Fuji's Endeavor line of hybrid digital-conventional film cameras far outsells Kodak's competing Advantix.

"Fuji offers more cameras at the price points our customers want," said Joel Paymer, president of Camera Land.

Not far away, another store stacks disposable cameras behind the counter. If customers do not specify Kodak, the store sells them the Fuji camera. "I get the same price for both, but Fuji sells them to me for $3 less," said the owner, who does not want his customers to know and insisted on anonymity.

Clearly, aggressive pricing has done Fuji Photo Film Co. a world of good. But is pricing the only reason that Fuji sells so much film?

Eastman Kodak Co. says yes. It has accused Fuji of colluding with the Japanese government to keep Kodak film out of Japan — a contention the World Trade Organization discounted a week ago — and of waging a price war on film in the United States.

But analysts say a lot more is going on.

"Let's face it," said Ulysses Yannas, an analyst with Mercer, Bokert, Buckman & Reid, "they just have better marketing than Kodak."

In fact, to hear Fuji tell it, the allegations have done wonders for that marketing effort. "They certainly raised our visibility here," said Paul Hudak, a vice president for marketing of Fuji Photo Film USA.

What people see now is a Japanese company that has evolved into an American manufacturer, with 8,000 American workers, more than $1 billion invested in American factories and a strategy that clearly works: Fuji's share of the $2.7 billion amateur-film market in the United States has soared to about 19 percent from less than 10 percent a few years ago.

Since Fuji entered the American market 30 years ago, it has willingly traded huge profit margins for market share and has kept its wholesale prices low enough that its film could sell for about 15 percent less than Kodak's. But Kodak did not cry foul until last summer, when the price gap widened to almost 30 percent.

Fuji insists that the price cut was temporary, stemming from a one-time need to unload excess film after Kodak wrested away a plum customer, Price-Costco Inc.

"We have never unilaterally cut prices to be predatory, but we do let retailers make a nice gross margin," said Rod King, a general manager of Fuji USA.

Now, Fuji is conducting a marketing and investment campaign that could make its progress thus far look like slow-motion photography.

Last year it bought the photo-processing labs of Wal-Mart Stores Inc., grabbing 15 percent of the processing market. It recently started making 60,000 cameras a day in Greenwood, South Carolina, where it already made coated paper and videotapes.

Now Fuji, which has been selling film in the United States that it makes in the Netherlands, will soon produce 100 million rolls of film a day in Greenwood — "and we're talking about adding even more capacity," said Mr. King, who predicts Fuji will command more than a quarter of the American film market next year.

Nor are Fuji's investments confined to film. In September, it started Fujifilm.net, an Internet service that allows customers to store or retrieve their developed film as digital images. A month later, it opened a research subsidiary in Sunnyvale, California, to create imaging software.

Executives at Kodak, based in Rochester, New York, declined to discuss their arch-rival, but analysts applauded Fuji's moves.

"The digital arena will grow faster than film, and it has no entrenched competitors," said Jack Kelly, an analyst with Goldman, Sachs & Co.

Because Fuji USA's stock does not trade separately, few American analysts follow it. But according to First Call, which tracks earnings estimates, Fuji's Japanese parent consistently meets or exceeds Japanese analysts' sales and

See FUJI, Page 17

## Japan's Plan For Banks Gets Support

### *Hashimoto's Promise Sways a Major Opponent*

By Stephanie Strom
*New York Times Service*

TOKYO — Ryutaro Hashimoto, Japan's beleaguered prime minister, spent most of Thursday trying to win over skeptics to a plan to raise 10 trillion yen ($77.2 billion) for Japan's ailing banking system.

By the end of the day, it appeared he had largely succeeded.

Koichi Kato, the secretary-general of the governing Liberal Democratic Party, abandoned his opposition to the plan after Mr. Hashimoto promised that none of the money, which is to be raised through a sale of government bonds, would be used to prime the economy.

Mr. Kato had objected to the plan, which was proposed by a political rival, Seiroku Kajiyama, because floating bonds to finance a bank bailout would have run contrary to the government's austere fiscal policy, which includes a ban on deficit financing.

Mr. Kajiyama also had suggested that some portion of the money raised would go toward financing a tax cut or some other economic stimulant such as public-works projects, which would have contradicted government policy to cut the deficit to 3 percent or less of the gross domestic product by March 31, 2004.

Mr. Kato said Thursday that Mr. Hashimoto had told an ally of Mr. Kajiyama that the money raised would be used only to fix the financial system.

The government has said that because it intends to use its own shares of Nippon Telegraph & Telephone Corp. and Japan Tobacco Inc. as collateral, the plan would not add to the deficit and would not constitute deficit financing.

Those shares, however, already have been pledged to service and redeem other government bonds.

That, taken together with a proposal to cut business taxes to stimulate Japan's stalled economy that came out of the party's tax panel Wednesday, may be one of the first signals of a retreat from fiscal austerity. Previously, the Ministry of Finance has insisted that any corporate tax cuts be revenue-neutral, neither enhancing nor cutting government's income.

"Within the LDP, there are many who are nervous about the state of the economy and think it's time to open up the till," said John Neuffer, an analyst at the Mitsui Marine Research Institute.

"Hashimoto is changing his stance, both on providing public funding for the financial system and on net tax cuts, but without being able to change his commitment to fiscal conservatism," said Mineko Sasaki-Smith, an economist at Credit Suisse First Boston in Tokyo.

## CURRENCY & INTEREST RATES

### Cross Rates

Dec. 11

| | $ | £ | D.M. | F.F. | Lira | D.Fl | B.F. | S.F. | Yen | C$ | Peseta |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Amsterdam | 1.9975 | 3.308 | 1.1269 | 0.3355 | 0.1151* | — | 5.462* | 1.389 | 1.5393* | 1.3995 | 1.333* |
| Brussels | 36.5675 | 60.76 | 20.63 | 6.164 | 2.1072* | 18.3086 | — | 25.47 | 0.2806 | 25.49 | 24.41* |
| Frankfurt | 1.7763 | 2.9367 | — | 0.2986 | 0.1022* | 0.8875 | 4.8475* | 1.2258 | 1.375* | 1.240 | 1.1833* |
| London (a) | 1.664 | — | 2.9329 | 9.8394 | 2,873.077 | 3.3045 | 60.4833 | 2.3803 | 215.2699 | 2.3406 | 247.8196 |
| Madrid | 150.303 | 248.471 | 84.571 | 25.241 | 8.632* | 74.998 | 4.0966 | 104.433 | 116.271* | 105.548 | — |
| Milan | 1,738.55 | 2,874.90 | 979.10 | 291.54 | — | 869.85 | 47.45 | 1,210.45 | 13.457 | 1,220.08 | 11.576 |
| New York (b) | — | 1.657a | 1.7615 | 5.8981 | 1,776.00 | 1.9845 | 36.34 | 1.4345 | 129.825 | 1.4271 | 158.05 |
| Paris | 5.9547 | 9.847 | 3.3482 | — | 0.342* | 2.9713 | 0.1623 | 4.1367 | 4.6064* | 4.1817 | 3.967* |
| Tokyo | 129.40 | 213.61 | 73.41 | 21.63 | 0.74 | 64.26 | 3.5115 | 89.44 | — | 90.76 | 0.8573 |
| Toronto | 1.4268 | 2.3642 | 0.81 | 0.2418 | 0.0827* | 0.7186 | 0.3925* | 1.0003 | 1.0982* | — | 0.958* |
| Zurich | 1.4373 | 2.3803 | 0.8108 | 0.2421 | 0.0827* | 0.7195 | 3.9397* | — | 1.109* | 1.0076 | 0.9591* |
| 1 ECU | 1.1081 | 0.6724 | 1.9751 | 6.6109 | 1,933.13 | 2.2256 | 40.7436 | 1.6001 | 142.53 | 1.5764 | 166.808 |
| 1 SDR | 1.3539 | 0.8193 | 2.405 | 8.0623 | 2,357.59 | 2.7193 | 49.6287 | 1.9459 | 175.064 | n.q. | 203.484 |

*Closings in Amsterdam, London, Milan, Paris and Zurich, fixings in other centers; New York rates at 4 P.M. and Toronto rates at 3 P.M.*
*a. To buy one pound. b. To buy one dollar. *Units of 100. N.Q.: not quoted; N.A.: not available.*

### Other Dollar Values

| Currency | Per $ | Currency | Per $ | Currency | Per $ | Currency | Per $ |
|---|---|---|---|---|---|---|---|
| Argent. peso | 0.9999 | Greek drac. | 279.54 | Mex. peso | 8.131 | S. Afr. rand | 4.8915 |
| Australian $ | 1.5006 | Hong Kong $ | 7.7482 | N. Zealand $ | 1.6742 | S. Kor. won | 1700.00 |
| Austrian sch. | 12.512 | Hung. forint | 201.64 | Norw. krone | 7.2365 | Swed. krona | 7.776 |
| Brazil real | 1.1133 | Indian rupee | 39.44 | Phil. peso | 35.25 | Taiwan $ | 31.90 |
| Chinese yuan | 8.31 | Indo. rupiah | 4420.00 | Polish zloty | 3.55 | Thai baht | 42.00 |
| Czech koruna | 35.02 | Irish £ | 0.6862 | Port. escudo | 181.53 | Turkish lira | 198590. |
| Danish krone | 6.7725 | Israeli shek. | 3.5354 | Russ ruble | 5917.00 | UAE dirham | 3.6700 |
| Egypt. pound | 3.4043 | Kuw dinar | 0.3024 | Saudi riyal | 3.75 | Venez. boliv. | 502.25 |
| Fin. markka | 5.3612 | Malay. ring. | 3.7272 | Sing. $ | 1.6322 | | |

### Forward Rates

| Currency | 30-day | 60-day | 90-day | Currency | 30-day | 60-day | 90-day |
|---|---|---|---|---|---|---|---|
| Pound Sterling | 1.6508 | 1.6485 | 1.6461 | Japanese yen | 129.11 | 128.41 | 127.84 |
| Canadian dollar | 1.4212 | 1.4194 | 1.4178 | Swiss franc | 1.4319 | 1.4276 | 1.4235 |
| Deutsche mark | 1.7713 | 1.7682 | 1.7654 | | | | |

*Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.*

### Libid-Libor Rates

Dec. 11

| | Dollar | D-Mark | Swiss Franc | Sterling | French Franc | Yen | ECU |
|---|---|---|---|---|---|---|---|
| 1-month | 5¾ - 5⅞ | 3⁹⁄₁₆ - 3¾ | 1⁷⁄₁₆ - 1¹¹⁄₁₆ | 7⅝ - 7¾ | 3⁹⁄₁₆ - 3⅞ | ⅞ - 1 | 4⅝ - 4⅞ |
| 3-month | 5¾ - 5⅞ | 3⅝ - 3¾ | 1½ - 1¾ | 7½ - 7⁹⁄₁₆ | 3⁹⁄₁₆ - 3¾ | ¾ - 1 | 4½ - 4½ |
| 6-month | 5¾ - 5⅞ | 3¹³⁄₁₆ - 3¹⁵⁄₁₆ | 1¾ - 1⅞ | 7⅝ - 7¾ | 3¾ - 3¹⁵⁄₁₆ | ⅞ - 1 | 4⅝ - 4¾ |
| 1-year | 5¹⁵⁄₁₆ - 6 | 4 - 4⅛ | 1⅞ - 2 | 7⁹⁄₁₆ - 7¹¹⁄₁₆ | 3¹⁵⁄₁₆ - 4⅛ | ¾ - ⅞ | 4⅝ - 4¾ |

*Sources: Reuters, Lloyds Bank.*
*Rates applicable to interbank deposits of $1 million minimum (or equivalent).*

### Key Money Rates

| United States | Close | Prev |
|---|---|---|
| Discount rate | 5.00 | 5.00 |
| Prime rate | 8½ | 8½ |
| Federal funds | 5½ | 5⅝ |
| 90-day CDs dealers | 5.81 | 5.84 |
| 180-day CP dealers | 5.60 | 5.60 |
| 2-month Treasury bill | 5.06 | 5.07 |
| 1-year Treasury bill | 5.18 | 5.23 |
| 2-year Treasury bill | 5.66 | 5.73 |
| 5-year Treasury note | 5.77 | 5.84 |
| 7-year Treasury note | 5.79 | 5.87 |
| 10-year Treasury note | 5.82 | 5.90 |
| 30-year Treasury bond | 6.00 | 6.10 |
| Merrill Lynch 30-day RA | 5.10 | 5.10 |
| **Japan** | | |
| Discount rate | 0.50 | 0.50 |
| Call money | 0.50 | 0.49 |
| 1-month interbank | 0.95 | 0.90 |
| 3-month interbank | 0.92 | 0.90 |
| 6-month interbank | 0.92 | 0.90 |
| 10-year Gov't bond | 1.92 | 1.94 |
| **Germany** | | |
| Lombard rate | 4.50 | 4.50 |
| Call money | 3.48 | 3.48 |
| 1-month interbank | 3.74 | 3.74 |
| 3-month interbank | 3.75 | 3.75 |
| 6-month interbank | 3.86 | 3.86 |
| 10-year Bond | 5.32 | 5.39 |
| **Britain** | | |
| Bank base rate | 7¼ | 7¼ |
| Call money | 7¹⁄₁₆ | 7⅛ |
| 1-month interbank | 7½ | 7½ |
| 3-month interbank | 7⅝ | 7⅝ |
| 6-month interbank | 7¾ | 7¾ |
| 10-year Gilt | 6.31 | 6.41 |
| **France** | | |
| Intervention rate | 3.30 | 3.30 |
| Call money | 3⅜ | 3⅜ |
| 1-month interbank | 3½ | 3½ |
| 3-month interbank | 3⅝ | 3⅝ |
| 6-month interbank | 3¾ | 3¾ |
| 10-year OAT | 5.32 | 5.40 |

*Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.*

### Gold

| | A.M. | P.M. | Ch'ge |
|---|---|---|---|
| Zurich | N.A. | 284.20 | −2.50 |
| London | 286.15 | 284.80 | −1.50 |
| New York | 288.90 | 286.00 | −2.60 |

*U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (Feb.)*
*Source: Reuters.*

## AOL to Bolster Its Cyberspace Presence

By Rajiv Chandrasekaran
*Washington Post Service*

WASHINGTON — With America Online Inc. becoming increasingly dependent on on-line advertising and marketing deals to turn a profit, the company announced Thursday that it would embrace the tens of millions of cyberspace users outside its subscriber base as a way to increase traffic.

At the large Internet World trade show in New York, AOL unveiled a host of changes in its World Wide Web site.

Company executives said they planned to use the site to offer nonsubscribers more content — along with ads and electronic storefronts — from AOL's proprietary service. The revamped site also will offer special features for AOL subscribers, including the ability to check their electronic mail without having to use AOL software.

The on-line service has long restricted most of its technology and content — news reports, message boards, entertainment offerings and the like — to subscribers who pay as much as $19.95 a month and use special software to gain access to the material, a strategy that has helped AOL increase its base of subscribers to more than 10 million.

The announcement Thursday included a deal to increase distribution over the Internet of AOL's electronic conversation software, which provides the company another way to flash ads at users, executives said.

AOL began this Internet push in October with the release of Entertainment Asylum, an on-line site about movies, music and television that is available both on the proprietary service and on the Web. On Monday, the company released another site with dual availability — Electra, which focuses on women's issues. Early next year, the company plans to release Web versions of its Digital City service, which offers local news, personal ads and entertainment listings.

The effort to get more content on the Web is intended to help AOL compete for users and advertising with Internet search services such as Yahoo Inc., Lycos Inc. and Excite Inc., which also offer news, sports scores and chat rooms.

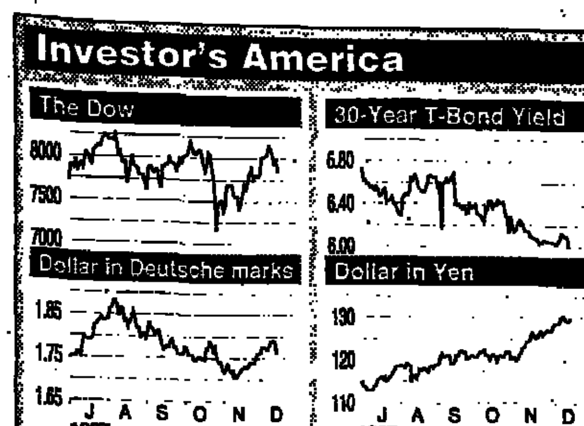
AOL's need for advertising revenue became crucial after it switched to flat-rate pricing last year. A bigger presence on the Web could make AOL more lucrative to advertisers, analysts said.

The company plans to increase the distribution of its Instant Messenger software, which allows Web users to send brief, immediate messages to others who are logged on to AOL's network or the Internet.

This month, AOL plans to start releasing an updated version of its proprietary software, which more closely integrates Web browsing. The company initially will offer the software to 500,000 to 1 million of its 10 million customers, to prevent network congestion as users try out the new features, said Barry Schuler, president of creative programming for America Online's AOL Networks division.

The company also is working on a subscriber service called AOL Direct, which would automatically deliver customized information to a user's computer screen. That software will be released by mid-1998, Mr. Schuler said.

## Investor's America




| Exchange | Index | Thursday @4PM | Prev. Close | % Change |
|---|---|---|---|---|
| U.S. | The Dow | 7848.99 | 7978.79 | -1.62 |
| U.S. | S&P 500 | 955.80 | 969.79 | -1.39 |
| U.S. | S&P 100 | 456.94 | 465.12 | -1.76 |
| U.S. | NYSE Composite | 500.41 | 507.70 | -1.44 |
| U.S. | Nasdaq Composite | 1558.42 | 1596.62 | -2.39 |
| U.S. | AMEX Composite | 664.16 | 669.45 | -0.79 |
| Toronto | TSE Index | 6647.96 | 6747.86 | -1.47 |
| Sao Paulo | Bovespa | 9108.68 | 9461.58 | -3.73 |
| Mexico City | Bolsa | 4947.32 | 5028.10 | -1.61 |
| Buenos Aires | Merval | 663.43 | 669.18 | -0.86 |
| Santiago | IPSA General | Closed | 4591.87 | |
| Caracas | Capital General | 8318.34 | 8521.83 | -2.39 |

Source: Bloomberg, Reuters — International Herald Tribune

## Very briefly:

• **Caterpillar Inc.** agreed to buy **LucasVarity PLC**'s maker of off-highway diesel engines, **VarityPerkins**, for $1.32 billion.

• **MascoTech Inc.** will make a tender offer within five business days for the 63 percent it does not own of TriMas Corp. The maker of custom-engineered industrial products is offering $34.50 a share in cash, or about $900 million, for the producer of metal fasteners.

• **Amtrak**'s president, Thomas Downs, resigned unexpectedly, and sources cited a history of disagreements between him and Amtrak's board culminating in a dispute over his handling of labor negotiations with track-maintenance workers.

• **J.C. Penney Co.** plans to open 30 separate furniture and linens stores by the end of the year, as the department-store company seeks to free up space in its traditional outlets for clothing.

• **Anheuser-Busch Cos.** plans to appeal to the Federal Tribunal, the top Swiss court, a trade tribunal's ban on the brand names on its Budweiser beer on the grounds they might lead to confusion with the beer from the Czech brewer *Budejovicky Budvar.*

• **W.R. Grace & Co.** said it had developed a chemical foam that could turn asbestos fibers in fireproofing material into various harmless fireproof minerals. *AP, WP, Bloomberg*

## Avon Calls on a Man for No. 2 Post

*The Associated Press*

NEW YORK — Avon Products Inc. on Thursday named an outsider as the heir apparent to chief executive James Preston, bypassing the top three women on its management team.

Charles Perrin, former chief executive of Duracell International Inc., will take over as deputy chairman and chief operating officer Jan. 5. He is expected to succeed Mr. Preston as chief executive in mid-1998.

The news followed speculation that Avon would name either Christina Gold, a vice president; Susan Kropf, U.S. operations chief, or Andrea Jung, global marketing president, to the job.

## *Yen Weakens As Market Fall Hurts Dollar*

*Bloomberg News*

NEW YORK — The dollar dropped against European currencies Thursday, hurt by the drop in the U.S. stock market.

"When U.S. asset markets are under pressure, we tend to see the

**FOREIGN EXCHANGE**

dollar do poorly," said Michael Faust, a bond manager at Bailard, Biehl & Kaiser. "There's uncertainty about what effect problems in Asia are going to have on U.S. companies. People are assuming the worst, so they're selling U.S. stocks."

The dollar fell to 1.7615 Deutsche marks in late trading from 1.7875 DM on Wednesday, to 5.8981 French francs from 5.9830 francs and to 1.4245 Swiss francs from 1.4462 francs. The pound strengthened to $1.6570 from $1.6492.

But the dollar edged up to 129.825 yen from 129.400 yen on expectations that stock-market and currency declines across Asia would hurt Japan more than the United States.

Traders sold dollars for European currencies, however, amid speculation that U.S. corporations will be hurt more by declining stock markets and tumbling currencies in Asia than European companies.

"The sense is that the U.S. is more tightly tied to what's going on in Asia than Europe," said Seth Cohen, head of currency sales at Union Bank of Switzerland. "There's a free fall in some of these markets, and the stakes are rising in the U.S."

Still, the mark may weaken in coming days on expectations that Europe may be just as vulnerable from its exposure to Asia, economists said.

Asia accounts for about 30 percent of all of Europe's trade outside its own region — close to the U.S. figure, according to economists at Chase Manhattan Bank.

"The argument that Europe will be hurt less than the U.S. is a misrepresentation," Mr. Faust said. "Europe has plenty of exposure to some of the same countries — if not more — in terms of loans and trade as a percentage of gross domestic product."

With currencies of many of Japan's closest trading partners and competitors tumbling, Japan may have little choice but to let the yen weaken. A falling currency lowers the price of a country's exports.

# Technology Issues Can't Shake Asian Flu

*Bloomberg News*

NEW YORK — Technology stocks continued to struggle Thursday amid worries that economic trouble in South Korea was likely to hurt semiconductor-equipment makers the most.

Applied Materials, Hewlett-Packard and Intel led the drop, and the technology-heavy Nasdaq composite index closed down 38.07 points at 1,558.54.

Customers in South Korea and elsewhere in the region "don't have any capital," said Gary Kaminsky, a portfolio manager at Cowen & Co.

Mr. Kaminsky said his company was combing its portfolio to make sure companies it owned were not too vulnerable to Asia's woes.

Companies such as Computer Associates International and IBM, in which Mr. Kaminsky owns shares, can get more sales in other

**U.S. STOCKS**

regions to make up for Asian woes. Apple Computer, meanwhile, will be hurt because it got 50 percent of its sales from overseas in the last quarter, with much of that coming from Japan and Asia.

Applied Materials gets nearly 60 percent of its sales from the Pacific Rim. In the fourth quarter, 23.3 percent of Applied's sales came from Japan, 8.5 percent from South Korea and 24.5 percent from other Asia/Pacific economies including Taiwan, Southeast Asia and China.

Applied Materials was the most actively traded stock, closing down 4 7/16 at 27 5/16.

Personal-computer makers' shares also slumped. Compaq Computer fell 3⅜ to 56⅛, IBM fell 4⅞ to 101⅝, and Apple fell 3/16 to 14 9/16.

Computer-related shares have been under pressure since the Asian financial crisis started in Thailand in July. The region is one of the fastest-growing markets for computers, networking products, software and other technological goods.

South Korea is particularly important because its advanced economy has a large appetite for high-tech products. Hewlett-Packard, for example, gets more sales in Korea than it does in Thailand, Indonesia, the Philippines and Malaysia combined, according to Bill Milton at Brown Brothers Harriman & Co. Hewlett-Packard fell 2⅝ to 61⅛.

Intel, the world's biggest maker of microprocessors, gets about 28 percent of its sales from Asia. The region accounts for about one-quarter of all PC sales and almost half of all semiconductor sales. Intel closed down 2¾ at 71 13/16.

Quantum fell 3⅞ to 19 15/16 after the disk-drive maker warned that third-quarter earnings would be hurt by falling prices for PC hard drives.

# Facing Censure, Venezuela Finance Chief Quits

*Compiled by Our Staff From Dispatches*

CARACAS — Luis Raul Matos Azocar resigned Wednesday as Venezuelan finance minister, a day before Congress was to vote on a motion that could have led to his removal. Industry Minister Freddy Rojas Parra was chosen to replace Mr. Matos Azocar, who was appointed finance minister in March 1995.

"I resigned because I wanted to avoid further conflict between the executive and legislative branches of government," Mr. Matos said after the weekly meeting of the Council of Ministers. Ivan Sanoja, who served as Mr. Rojas's deputy, will become industry minister.

Mr. Matos was scheduled to face the second motion of censure in less than a month for his alleged role in a $9.5 million payment to Samana SA, a dummy company, in 1994.

A censure motion filed last month over his role in arranging a $4 billion swap of Brady bonds failed to receive the necessary two-thirds support in Congress. Bradys are bonds issued by governments in developing countries and are partly backed by U.S. Treasury bonds to make them more palatable to Western investors.

Most political parties applauded the resignation. Jose Albornoz, congressional leader of the leftist Country for All party, which had proposed an impeachment vote of Mr. Matos for Friday, said that the resignation was good for Venezuela, but that investigations into the 1994 fraud case would continue.

Democratic Action also welcomed the move, while hinting that the party had been poised to support the impeachment vote against Mr. Matos. The party plunged in opinion polls after it abstained from the earlier vote to remove Mr. Matos.

Only the government parties National Convergence and Socialist Movement regretted Mr. Matos's resignation, blaming a "destructive minority" in Congress and defending Mr. Matos's record.

Mr. Matos and Planning Minister Teodoro Petkoff led government efforts to cut the budget deficit. But Mr. Matos was seen by many analysts as less committed to the government's pro-business policies than Mr. Petkoff.

Mr. Rojas, seeking to reassure foreign investors, vowed to continue his predecessor's policies. "This has no impact whatsoever on the country's economic policies," said Elena Castro, an analyst with Caspian Securities in New York. "This should have no impact on the market, as Rojas Parra is in line with the government's economic policies."

*(Bridge News, Bloomberg)*

Lynsey Addario/The Associated Press

**A customer in New York sampling the new line in French fries.**

## *Burger King Aims to Be Lord of the Fries*

By Constance L. Hays
*New York Times Service*

NEW YORK — Taking aim at its arch-rival with a French fry, Burger King has introduced a $70 million advertising campaign that trumpets its new fries as "the taste that beat McDonald's."

As part of the campaign, all Burger Kings that are participating in the campaign in the United States will give away bags of French fries, in the smallest size available, on Jan. 2.

Burger King also bought the rights to use Mr. Potato Head, the children's toy, from Hasbro Inc. for an undisclosed sum. Burger King plans a marketing tie-in with the toy beginning next month.

Chuck Ebeling, spokesman for McDonald's Corp., said Wednesday that his company's fries remained the top sellers in the country, and he foresaw no change.

"We're used to it when others try to play catch-up," he said.

The fries-focused campaign is the latest effort by Burger King, a unit of Grand Metropolitan PLC of Britain, to erode McDonald's dominant market share. In August, Burger King introduced the Big King burger to take on McDonald's Big Mac. Burger King's share of the U.S. fast-food market rose a percentage point, to 19.2 percent, while McDonald's share slipped 0.4 point, to 41.9 percent.

Mike DeRosa, the president of the National Franchisees Association, said franchise owners around the country were enthusiastic about the new French fries, even though they will not be reimbursed for the fries they give away on Jan. 2.

"It's like buying media," said Mr. DeRosa, whose restaurant is in Eau Claire, Wisconsin.

The new fries are treated with potato starch in way that forms a crisp coating as they emerge from the frying machine. The new fries cost more to produce, said Jim Watkins, vice president of marketing for Burger King North America. He would not say how much more but added that prices at restaurants were not expected to rise. Instead, sales volume is expected to make up the difference.

## AMEX

**Thursday's 4 P.M. Close**
The 300 most traded stocks of the day, up to the closing on Wall Street.
*The Associated Press.*

| Stock | Sales | High | Low | Latest | Chge |
|---|---|---|---|---|---|
| [illegible] | [illegible] | [illegible] | [illegible] | [illegible] | [illegible] |

## U. S. STOCK MARKET DIARY

### Indexes

**Dow Jones**

| | Open | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Indus | 7898.72 | 7977.05 | 7815.17 | 7848.99 | -129.80 |
| Trans | 3303.65 | 3324.90 | 3214.85 | 3243.48 | -91.22 |
| Util | 259.52 | 260.26 | 258.53 | 257.30 | -1.12 |
| Comp | 2595.28 | 2617.73 | 2558.61 | 2571.73 | -46.57 |

**Standard & Poors**

| | High | Low | Previous Close | Today 4 P.M. |
|---|---|---|---|---|
| Industrials | 1129.02 | 1114.06 | 1123.17 | 1107.70 |
| Transp. | 703.42 | 697.73 | 700.57 | 690.42 |
| Utilities | 220.48 | 219.43 | 220.42 | 219.02 |
| Finance | 120.30 | 118.18 | 118.86 | 117.21 |
| SP 500 | 975.78 | 962.68 | 969.79 | 956.75 |
| SP 100 | 467.75 | 461.38 | 465.12 | 457.87 |

**NYSE**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 507.78 | 499.04 | 500.42 | -7.28 |
| Industrials | 628.94 | 618.29 | 619.88 | -9.14 |
| Transp. | 470.93 | 459.20 | 461.83 | -9.10 |
| Utility | 321.57 | 316.77 | 317.63 | -3.94 |
| Finance | 492.93 | 483.60 | 485.90 | -7.03 |

**Nasdaq**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| Composite | 1577.55 | 1550.76 | 1558.54 | -38.07 |
| Industrials | 1220.44 | 1195.17 | 1200.54 | -32.28 |
| Banks | 2049.40 | 2023.96 | 2040.98 | -11.76 |
| Insurance | 1805.36 | 1774.35 | 1781.86 | -36.57 |
| Finance | 2422.82 | 2402.17 | 2416.75 | -18.52 |
| Transp. | 1062.10 | 1029.34 | 1036.47 | -30.39 |

**AMEX**

| | High | Low | Last | Chg. |
|---|---|---|---|---|
| | 669.45 | 661.69 | 664.45 | -5.00 |

**Dow Jones Bond**

| | Previous Close | Today Noon |
|---|---|---|
| 20 Bonds | 104.51 | 104.61 |
| 10 Utilities | 102.78 | 102.64 |
| 10 Industrials | 106.64 | 106.58 |

### Most Actives

**NYSE**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| Compaq s | 182137 | 59⅜ | 56⅛ | 56⅛ | -3⅜ |
| IBM s | 73159 | 103⅞ | 101⅜ | 101⅝ | -5 |
| Motorola | 70807 | 59⅞ | 56¼ | 56⅜ | -3⅜ |
| EMC s | 63210 | 27⅛ | 25⅞ | 26⅝ | +⅜ |
| Telbrasl | 58631 | 102 | 97⅛ | 100⅜ | -3⅜ |
| Texasl s | 55786 | 43⅞ | 42⅛ | 43⅛ | -1⅞ |
| PhilMor s | 49954 | 44⅞ | 43⅝ | 44⅝ | -⅜ |
| Coblrn | 48837 | 14⅛ | 13⅝ | 13⅞ | -⅛ |
| ColHCA | 47550 | 30⅞ | 30⅛ | 30⅜ | -⅜ |
| Citicorp | 46490 | 129⅞ | 125⅜ | 128⅜ | -3⅜ |
| GreenTrF | 44243 | 24⅝ | 23⅝ | 24 | -2⅜ |
| FordM | 43066 | 48 | 46⅛ | 46⅛ | -1⅜ |
| GenElec s | 42960 | 73⅜ | 72 | 72½ | -1⅛ |
| BayNtwk | 42308 | 25⅞ | 23⅜ | 24⅜ | -⅜ |
| HewlettPk | 41988 | 62⅞ | 60⅛ | 61⅛ | -2⅜ |

**Nasdaq**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| ApldMat s | 375863 | 30 | 26⅜ | 27⅜ | -4⅞ |
| Oracle s | 328432 | 23⅞ | 21⅜ | 21⅞ | -1⅛ |
| Quantum s | 295024 | 20 | 17⅜ | 19⅞ | -3⅜ |
| Intel s | 224599 | 73⅜ | 71⅛ | 71⅞ | -2⅜ |
| Cisco | 155928 | 84 | 79⅜ | 82⅞ | -2⅞ |
| DellCpt s | 139219 | 92½ | 87⅞ | 89⅜ | -2 |
| VideoLan | 119347 | ⅝ | ⅝ | ½ | -⅛ |
| Microsft | 87453 | 141 | 138⅜ | 139⅞ | -3⅜ |
| Ascend | 80625 | 29⅜ | 25⅞ | 28⅛ | +1⅞ |
| SunMic | 77583 | 37 | 34⅜ | 35 | -2⅜ |
| 3Com | 73553 | 36⅜ | 34 | 35⅞ | -⅞ |
| EricTel | 72905 | 38⅜ | 35⅛ | 36⅞ | +⅝ |
| PairaTch | 59451 | 19⅜ | 17⅞ | 18⅜ | -1⅛ |
| WorldCm | 52276 | 33⅜ | 32⅜ | 32⅜ | -⅜ |
| KLA Tenc | 50924 | 38⅜ | 35½ | 36⅜ | -3⅜ |

**AMEX**

| | Vol. | High | Low | Last | Chg. |
|---|---|---|---|---|---|
| SPDR | 49151 | 96⅞ | 95⅛ | 95⅞ | -1⅛ |
| JTS Corp | 22742 | ⅝ | ⅝ | ¼ | -⅛ |
| TWA | 24279 | 11⅛ | 9⅜ | 11⅛ | +1⅝ |
| ViacB | 15434 | 36⅞ | 34⅞ | 36⅞ | +1⅞ |
| Hasbro s | 15067 | 33⅜ | 32⅜ | 32⅜ | -1⅛ |
| RoyalO g | 14067 | 1½ | 1⅜ | 1⅜ | |
| TubMex | 9735 | 21⅛ | 19⅜ | 20⅛ | -⅝ |
| EchoBay | 9448 | 2⅜ | 2⅛ | 2⅜ | +⅛ |
| SP Mid | 8651 | 63⅞ | 62⅞ | 63⅞ | -⅜ |
| Cablvs pf | 8383 | 36⅛ | 35⅛ | 36⅛ | +⅞ |

### Trading Activity

**NYSE**

| | Close | Prev. |
|---|---|---|
| Advanced | 753 | 1017 |
| Declined | 2248 | 1985 |
| Unchanged | 471 | 471 |
| Total issues | 3472 | 3473 |
| New Highs | 79 | 129 |
| New Lows | 136 | 68 |

**Nasdaq**

| | Noon | Prev. |
|---|---|---|
| Advanced | 730 | 1370 |
| Declined | 3206 | 2913 |
| Unchanged | 1677 | 1467 |
| Total issues | 5613 | 5750 |
| New Highs | 37 | 113 |
| New Lows | 225 | 192 |

**AMEX**

| | Close | Prev. |
|---|---|---|
| Advanced | 172 | 210 |
| Declined | 426 | 373 |
| Unchanged | 146 | 158 |
| Total issues | 744 | 741 |
| New Highs | 20 | 16 |
| New Lows | 26 | 26 |

**Market Sales**

| | Today 4.00 | Prev. cons. |
|---|---|---|
| NYSE | 600.67 | 731.56 |
| Amex | 31.88 | 40.68 |
| Nasdaq | 728.69 | 641.63 |

*In millions.*

### Dividends

| Company | Per | Amt | Rec | Pay |
|---|---|---|---|---|
| **IRREGULAR** | | | | |
| Arizona Land | - | .13 | 12-17 | 12-31 |
| Brazilian Equity | - | 4.97 | 12-31 | 1-16 |
| Chile Fund | - | 3.14 | 12-31 | 1-16 |
| Fst Israel Fd | - | .47 | 12-31 | 1-16 |
| Latin Amer Eq | - | 1.50 | 12-31 | 1-16 |
| Latin Am Inv | - | 2.42 | 12-31 | 1-16 |
| Mexico Eq Inco | - | 3.56 | 12-26 | 1-9 |
| **STOCK SPLIT** | | | | |
| Global Diamond 2 for 1 split. | | | | |
| **INCREASED** | | | | |
| Carolina P&L | Q | .485 | 1-12 | 2-2 |
| Deposit Guaranty | Q | .23 | 12-16 | 1-2 |
| Dupont Cda A g | Q | .16 | 1-2 | 1-30 |
| Jacksonville Svgs | Q | .1125 | 12-24 | 1-8 |
| Pacific Gulf Prop | Q | .42 | 1-1 | 1-9 |
| Robbins & Myers | Q | .055 | 1-16 | 1-30 |
| Trinet Corp | Q | .64 | 12-17 | 1-2 |
| **SPECIAL** | | | | |
| Envir | - | .87 | 12-30 | 1-7 |
| NSC Corp | - | .15 | 12-19 | 12-30 |
| **INITIAL** | | | | |
| Frankfort FstBa | - | .20 | 12-31 | 1-15 |
| SunSource Inc | - | .10 | 12-22 | 1-6 |

| Company | Per | Amt | Rec | Pay |
|---|---|---|---|---|
| **REGULAR** | | | | |
| Airlease Ltd | Q | .45 | 12-31 | 2-13 |
| Am Stores Co | Q | .09 | 12-19 | 1-2 |
| Assoc Estates | Q | .465 | 12-31 | 1-15 |
| Atlantic Energy | Q | .385 | 12-22 | 1-15 |
| Baker,J. | Q | .015 | 1-20 | 1-30 |
| Bard,CR. | Q | .18 | 1-26 | 2-6 |
| Comdrun System | Q | .09 | 12-19 | 1-1 |
| Dow Chemical | Q | .87 | 12-31 | 1-30 |
| Environmen | Q | .03 | 12-30 | 1-7 |
| Equity Inco AT&T | M | .233 | 12-15 | 1-1 |
| F&M Natl | Q | .185 | 12-26 | 1-20 |
| Flexsteel Ind | Q | .12 | 12-23 | 1-5 |
| Fortis Secur | M | .063 | 12-26 | 1-9 |
| Fulton Bncp | Q | .25 | 12-19 | 12-31 |
| Gamma Biological | Q | .025 | 1-5 | 1-20 |
| General Re | Q | .55 | 12-22 | 12-31 |
| Logansport Fin | Q | .10 | 12-22 | 1-9 |
| McClatchy Newsp | Q | .095 | 12-22 | 1-2 |
| Montana Pwr | Q | .40 | 1-9 | 2-1 |
| Morgan,JP adjptA | - | 1.25 | 12-22 | 12-31 |
| Natl Inco Rlty | Q | .20 | 12-22 | 1-15 |
| PCA Intl | Q | .07 | 12-15 | 1-7 |
| South St Fin | Q | .10 | 12-26 | 1-15 |
| State Fin Svc A | Q | .12 | 12-23 | 1-5 |
| Stewart & Steve | Q | .085 | 1-31 | 2-13 |
| Stone St Bncp | Q | .1125 | 12-19 | 12-30 |
| Super Valu | Q | .26 | 3-2 | 3-15 |
| Than Intl | Q | .015 | 12-31 | 1-15 |

a-annual; b-approximate amount per share/ADR; g-payable in Canadian funds; m-monthly; q-quarterly; s-semiannually.

**U.S. Stock Tables Explained**

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the years high-low range and dividend are shown for the new stocks only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.
a - dividend also extra (s). b - annual rate of dividend plus stock dividend. c - liquidating dividend. cc - PE exceeds 99.cld - called. d - new yearly low. dd - loss in the last 12 months. e - dividend declared or paid in preceding 12 months. f - annual rate, increased on last declaration. g - dividend in Canadian funds, subject to 15% non-residence tax. i - dividend declared after split-up or stock dividend. j - dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k - dividend declared or paid this year, an accumulative issue with dividends in arrears. m - annual rate, reduced on last declaration. n - new issue in the past 52 weeks. The high-low range begins with the start of trading. nd - next day delivery. p - initial dividend, annual rate unknown. P/E - price-earnings ratio. q - closed-end mutual fund. r - dividend declared or paid in preceding 12 months, plus stock dividend. s - stock split. Dividend begins with date of split. sls - sales. t - dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u - new yearly high. v - trading halted. vi - in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies. wd - when distributed. wi - when issued/ ww - with warrants. x - ex-dividend or ex-rights. xdis - ex-distribution. xw - without warrants. y- ex-dividend and sales in full. yld - yield. z - sales in full.

## INTERNATIONAL FUTURES

**Dec. 11, 1997**

| | High | Low | Latest | Chge | Opint |
|---|---|---|---|---|---|
| **Grains** | | | | | |
| **CORN (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Dec 97 | 269½ | 265¼ | 265¼ | -3¼ | 13,219 |
| Mar 98 | 281½ | 276¼ | 277 | -4½ | 183,183 |
| May 98 | 288 | 283¾ | 284¼ | -4½ | 44,582 |
| Jul 98 | 292¼ | 288¼ | 289 | -3¾ | 54,924 |
| Sep 98 | 289 | 285 | 286¼ | -2½ | 5,167 |
| Dec 98 | 289½ | 287 | 288 | -1½ | 32,298 |
| Jul 99 | 301 | 299½ | 300½ | -1¼ | 295 |
| Est. sales 58,000 Wed's sales 39,015 | | | | | |
| Wed's open int 335,237, off 1,632 | | | | | |
| **SOYBEAN MEAL (CBOT)** 100 tons- dollars per ton | | | | | |
| Dec 97 | 228.80 | 225.00 | 226.20 | -2.20 | 9,797 |
| Jan 98 | 222.80 | 217.00 | 219.40 | -3.00 | 28,549 |
| Mar 98 | 218.80 | 213.50 | 215.40 | -3.40 | 35,363 |
| May 98 | 214.00 | 210.50 | 212.30 | -3.10 | 21,325 |
| Jul 98 | 213.00 | 211.00 | 212.20 | -3.00 | 15,822 |
| Aug 98 | 212.50 | 211.20 | 211.80 | -2.80 | 4,019 |
| Est. sales 22,000 Wed's sales 20,155 | | | | | |
| Wed's open int 121,850, up 184 | | | | | |
| **SOYBEAN OIL (CBOT)** 60,000 lbs- cents per lb | | | | | |
| Dec 97 | 25.05 | 24.50 | 24.70 | -0.34 | 2,408 |
| Jan 98 | 25.25 | 24.67 | 24.87 | -0.37 | 40,190 |
| Mar 98 | 25.64 | 25.06 | 25.24 | -0.38 | 34,868 |
| May 98 | 25.75 | 25.23 | 25.49 | -0.36 | 14,083 |
| Jul 98 | 25.90 | 25.43 | 25.67 | -0.33 | 11,972 |
| Aug 98 | 25.70 | 25.40 | 25.60 | -0.31 | 2,781 |
| Est. sales 24,000 Wed's sales 19,064 | | | | | |
| Wed's open int 108,844, off 525 | | | | | |
| **SOYBEANS (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Jan 98 | 713 | 698 | 702¾ | -10¼ | 63,502 |
| Mar 98 | 715½ | 699 | 703¾ | -11¼ | 32,261 |
| May 98 | 713½ | 703 | 706 | -12¼ | 22,612 |
| Jul 98 | 720½ | 705 | 708¼ | -12 | 24,285 |
| Aug 98 | 710 | 702 | 703¾ | -11¼ | 2,712 |
| Est. sales 57,000 Wed's sales 41,892 | | | | | |
| Wed's open int 154,957, off 194 | | | | | |
| **WHEAT (CBOT)** 5,000 bu minimum- cents per bushel | | | | | |
| Dec 97 | 343½ | 337 | 337 | -7½ | 683 |
| Mar 98 | 352¾ | 350½ | 350¾ | -7¼ | 54,048 |
| May 98 | 369 | 358 | 358½ | -7 | 11,343 |
| Jul 98 | 369½ | 362½ | 363¼ | -6½ | 18,618 |
| Est. sales 21,000 Wed's sales 7,683 | | | | | |
| Wed's open int 88,552, off 685 | | | | | |
| **Livestock** | | | | | |
| **CATTLE (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Dec 97 | 67.05 | 66.62 | 66.92 | -0.20 | 9,922 |
| Feb 98 | 67.55 | 66.80 | 67.07 | -0.37 | 49,773 |
| Apr 98 | 70.65 | 69.90 | 70.50 | -0.22 | 23,740 |
| Jun 98 | 69.70 | 69.42 | 69.65 | -0.15 | 13,482 |
| Aug 98 | 70.87 | 70.45 | 70.65 | -0.27 | 5,745 |
| Oct 98 | 72.95 | 72.80 | 72.80 | -0.05 | 1,346 |
| Est. sales 16,436 Wed's sales 10,867 | | | | | |
| Wed's open int 104,151, up 724 | | | | | |
| **FEEDER CATTLE (CMER)** 50,000 lbs.- cents per lb. | | | | | |
| Jan 98 | 79.55 | 79.10 | 79.20 | -0.52 | 8,321 |
| Mar 98 | 79.72 | 79.25 | 79.42 | -0.40 | 4,262 |
| Apr 98 | 80.10 | 79.70 | 80.05 | -0.22 | 1,489 |
| May 98 | 80.90 | 80.45 | 80.85 | -0.07 | 1,518 |
| Aug 98 | 82.70 | 82.25 | 82.55 | -0.20 | 785 |
| Sep 98 | 82.55 | 82.25 | 82.55 | -0.10 | 148 |
| Est. sales 2,701 Wed's sales 2,448 | | | | | |
| Wed's open int 16,641, up 246 | | | | | |
| **HOGS-Lean (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Dec 97 | 62.45 | 61.95 | 61.97 | -0.30 | 5,604 |
| Feb 98 | 61.40 | 60.40 | 60.98 | +0.32 | 20,623 |
| Apr 98 | 57.97 | 57.25 | 57.40 | +0.15 | 7,982 |
| Jun 98 | 65.60 | 65.10 | 65.12 | -0.05 | 4,397 |
| Jul 98 | 64.35 | 63.95 | 64.02 | unch. | 1,330 |
| Est. sales 6,587 Wed's sales 7,166 | | | | | |
| Wed's open int 40,850, off 2 | | | | | |
| **PORK BELLIES (CMER)** 40,000 lbs.- cents per lb. | | | | | |
| Feb 98 | 59.10 | 55.25 | 57.22 | +1.12 | 6,267 |
| Mar 98 | 58.40 | 54.85 | 56.90 | +0.90 | 1,015 |
| May 98 | 58.55 | 55.70 | 57.40 | +1.32 | 1,023 |
| Est. sales 2,614 Wed's sales 2,192 | | | | | |
| Wed's open int 8,924, up 17 | | | | | |
| **Food** | | | | | |
| **COCOA (NCSE)** 10 metric tons- $ per ton | | | | | |
| Dec 97 | 1714 | 1650 | 1714 | +64 | 39 |
| Mar 98 | 1741 | 1678 | 1739 | +68 | 47,934 |
| May 98 | 1766 | 1705 | 1763 | +66 | 19,181 |
| Jul 98 | 1783 | 1725 | 1783 | +64 | 4,733 |
| Sep 98 | 1802 | 1748 | 1802 | +66 | 5,665 |
| Dec 98 | 1823 | 1770 | 1823 | +66 | 9,143 |
| Est. sales 7,931 Wed's sales 10,417 | | | | | |
| Wed's open int 97,940, up 95 | | | | | |
| **COFFEE C (NCSE)** 37,500 lbs.- cents per lb. | | | | | |
| Dec 97 | 188.50 | 183.50 | 183.50 | -4.50 | 660 |
| Mar 98 | 184.70 | 177.70 | 178.00 | -4.60 | 19,735 |
| May 98 | 178.70 | 172.00 | 173.10 | -3.40 | 5,629 |
| Jul 98 | 168.50 | 165.00 | 166.15 | -2.35 | 2,486 |
| Sep 98 | 167.00 | 158.00 | 158.90 | -1.60 | 1,126 |
| Est. sales 21,650 Wed's sales 9,982 | | | | | |
| Wed's open int 31,132 | | | | | |
| **SUGARWORLD 11 (NCSE)** 112,000 lbs.- cents per lb. | | | | | |
| Mar 98 | 12.21 | 12.05 | 12.10 | -0.15 | 114,280 |
| May 98 | 12.14 | 11.99 | 12.03 | -0.12 | 31,852 |
| Jul 98 | 11.82 | 11.70 | 11.73 | -0.11 | 28,692 |
| Oct 98 | 11.69 | 11.56 | 11.61 | -0.10 | 24,758 |
| Est. sales 39,288 Wed's sales 17,052 | | | | | |
| Wed's open int 208,379, off 696 | | | | | |

| | High | Low | Latest | Chge | Opint |
|---|---|---|---|---|---|
| **ORANGE JUICE (NCTN)** 15,000 lbs.- cents per lb. | | | | | |
| Jan 98 | 83.40 | 82.60 | 82.95 | -0.05 | 21,049 |
| Mar 98 | 86.70 | 85.90 | 86.35 | unch. | 16,840 |
| May 98 | 89.75 | 89.40 | 89.60 | +0.15 | 3,461 |
| Jul 98 | 92.75 | 92.50 | 92.65 | +0.15 | 2,113 |
| Est. sales N.A. Wed's sales 6,072 | | | | | |
| Wed's open int 46,482, up 866 | | | | | |
| **Metals** | | | | | |
| **GOLD (NCMX)** 100 troy oz.- dollars per troy oz. | | | | | |
| Dec 97 | 285.00 | 283.50 | 284.00 | -2.60 | 642 |
| Jan 98 | | | 284.80 | -2.40 | 3 |
| Feb 98 | 290.30 | 285.60 | 286.00 | -2.60 | 107,118 |
| Apr 98 | 291.80 | 287.50 | 287.80 | -2.60 | 12,077 |
| Jun 98 | 292.00 | 289.60 | 289.80 | -2.60 | 11,245 |
| Aug 98 | 293.00 | 291.90 | 291.90 | -2.60 | 5,031 |
| Oct 98 | 294.30 | 294.00 | 294.00 | -2.60 | 2,863 |
| Dec 98 | 297.50 | 295.30 | 296.30 | -2.60 | 13,593 |
| Feb 99 | 299.50 | 298.20 | 298.20 | -2.70 | 3,792 |
| Est. sales 18,000 Wed's sales 49,602 | | | | | |
| Wed's open int 192,175, off 4,874 | | | | | |
| **HI GRADE COPPER (NCMX)** 25,000 lbs.- cents per lb. | | | | | |
| Dec 97 | 81.20 | 80.00 | 80.05 | -0.45 | 1,452 |
| Jan 98 | 81.60 | 80.40 | 80.45 | -0.60 | 2,971 |
| Feb 98 | 82.30 | 81.10 | 81.10 | -0.60 | 1,884 |
| Mar 98 | 83.00 | 81.40 | 81.60 | -0.60 | 32,674 |
| Apr 98 | 82.10 | 82.10 | 82.10 | -0.60 | 1,464 |
| May 98 | 82.50 | 82.50 | 82.50 | -0.60 | 4,823 |
| Jun 98 | 83.90 | 82.75 | 82.75 | -0.65 | 1,563 |
| Jul 98 | 83.85 | 83.10 | 83.10 | -0.60 | 3,685 |
| Aug 98 | 83.75 | 83.35 | 83.35 | -0.55 | 1,348 |
| Est. sales 7,500 Wed's sales 5,762 | | | | | |
| Wed's open int 64,690, up 313 | | | | | |
| **SILVER (NCMX)** 5,000 troy oz.- cents per troy oz. | | | | | |
| Dec 97 | 593.00 | 574.00 | 577.40 | -5.20 | 806 |
| Jan 98 | 585.00 | 578.90 | 578.90 | -5.50 | 34 |
| Feb 98 | | | 580.40 | -4.00 | |
| Mar 98 | 622.00 | 577.50 | 581.00 | -4.50 | 64,934 |
| May 98 | 615.00 | 578.50 | 581.70 | -4.80 | 6,236 |
| Jul 98 | 615.00 | 580.00 | 582.50 | -3.00 | 4,327 |
| Sep 98 | | | 583.30 | -1.70 | 785 |
| Dec 98 | 592.00 | 578.00 | 584.10 | -0.40 | 5,466 |
| Est. sales 27,000 Wed's sales 36,485 | | | | | |
| Wed's open int 91,699, up 2,149 | | | | | |
| **PLATINUM (NMER)** 50 troy oz.- dollars per troy oz. | | | | | |
| Jan 98 | 372.50 | 358.50 | 360.40 | -12.50 | 10,444 |
| Apr 98 | 365.00 | 357.50 | 359.20 | -12.70 | 3,421 |
| Jul 98 | 366.80 | 356.00 | 356.20 | -12.70 | 140 |
| Oct 98 | | | 353.20 | -12.70 | 1 |
| Est. sales N.A. Wed's sales 2,541 | | | | | |
| Wed's open int 14,006, off 255 | | | | | |

**LONDON METALS (LME)** Dollars per metric ton

| | Close | | Previous | |
|---|---|---|---|---|
| **Aluminum (High Grade)** | | | | |
| Spot | 1543.00 | 1544.00 | 1558.00 | 1559.00 |
| Forward | 1565½ | 1566.00 | 1579.00 | 1580.00 |
| **Copper Cathodes (High Grade)** | | | | |
| Spot | 1782.00 | 1783.00 | 1787.00 | 1788.00 |
| Forward | 1810.00 | 1811.00 | 1817.00 | 1818.00 |
| **Lead** | | | | |
| Spot | 510½ | 511½ | 517½ | 518½ |
| Forward | 526.00 | 527.00 | 534.00 | 535.00 |
| **Nickel** | | | | |
| Spot | 6125.00 | 6145.00 | 6065.00 | 6075.00 |
| Forward | 6230.00 | 6235.00 | 6160.00 | 6170.00 |
| **Tin** | | | | |
| Spot | 5475.00 | 5480.00 | 5480.00 | 5490.00 |
| Forward | 5385.00 | 5390.00 | 5380.00 | 5390.00 |
| **Zinc (Special High Grade)** | | | | |
| Spot | 1128½ | 1129½ | 1125.00 | 1126.00 |
| Forward | 1149.00 | 1150.00 | 1147.00 | 1147½ |

| | High | Low | Close | Chge | Opint |
|---|---|---|---|---|---|
| **Financial** | | | | | |
| **US T BILLS (CMER)** $1 million- pts of 100 pct. | | | | | |
| Dec 97 | 95.01 | 94.95 | 94.95 | +0.01 | 3,411 |
| Mar 98 | 95.10 | 95.05 | 95.07 | +0.04 | 6,841 |
| Jun 98 | 95.08 | 95.06 | 95.06 | +0.07 | 933 |
| Sep 98 | 95.07 | 95.07 | 95.07 | +0.11 | 23 |
| Est. sales 1,395 Wed's sales 840 | | | | | |
| Wed's open int 11,208, up 22 | | | | | |
| **5 YR TREASURY (CBOT)** $100,000 prin- pts & 64ths of 100 pct | | | | | |
| Dec 97 | 108-36 | 108-12 | 108-23 | + 19 | 53,279 |
| Est. sales 110,000 Wed's sales 63,425 | | | | | |
| Wed's open int 274,873, up 2,973 | | | | | |
| **10 YR TREASURY (CBOT)** $100,000 prin- pts & 32nds of 100 pct | | | | | |
| Dec 97 | 112-08 | 111-24 | 111-30 | + 15 | 53,763 |
| Mar 98 | 112-02 | 111-08 | 111-22 | + 16 | 309,404 |
| Jun 98 | 111-22 | 111-16 | 111-22 | + 17 | 811 |
| Est. sales 175,750 Wed's sales 74,414 | | | | | |
| Wed's open int 364,178, off 6,689 | | | | | |
| **US TREASURY BONDS (CBOT)** (8 pct-$100,000-pts & 32nds of 100 pct) | | | | | |
| Dec 97 | 120-01 | 118-29 | 119-19 | + 21 | 110,813 |
| Mar 98 | 119-28 | 118-17 | 119-13 | + 29 | 564,525 |
| Jun 98 | 119-14 | 118-24 | 119-02 | + 29 | 20,890 |
| Sep 98 | 119-06 | 118-20 | 118-27 | + 29 | 4,097 |
| Est. sales 600,000 Wed's sales 251,941 | | | | | |
| Wed's open int 704,537, off 4,806 | | | | | |
| **LONG GILT (LIFFE)** £50,000 - pts & 32nds of 100 pct | | | | | |
| Dec 97 | 120-30 | 120-09 | 120-28 | +0-29 | 28,235 |
| Mar 98 | 121-19 | 120-22 | 121-16 | +0-30 | 164,376 |
| Jun 98 | N.T. | N.T. | 105-26 | +0-30 | 7,098 |
| Est. sales: 89,587. Prev. sales: 62,330 | | | | | |
| Prev. open int.: 193,709 off 2,712 | | | | | |
| **GERMAN GOV. BUND (LIFFE)** DM250,000 - pts of 100 pct | | | | | |
| Mar 98 | 104.38 | 103.86 | 104.34 | +0.58 | 257,320 |
| Jun 98 | 103.70 | 103.23 | 103.73 | +0.61 | 368 |
| Est. sales: 152,503. Prev. sales: 105,091 | | | | | |
| Prev. open int.: 257,548 off 496 | | | | | |

| | High | Low | Latest | Chge | Opint |
|---|---|---|---|---|---|
| **10-YEAR FRENCH GOV. BONDS (MATIF)** FF500,000 - pts of 100 pct | | | | | |
| Dec 97 | 101.44 | 100.90 | 101.36 | + 0.64 | 58,794 |
| Mar 98 | 100.98 | 100.44 | 100.88 | + 0.62 | 103,614 |
| Jun 98 | 99.96 | 99.88 | 100.30 | + 0.62 | 12 |
| Est. sales: 201,469. | | | | | |
| Open int.: 162,420 off 5,628. | | | | | |
| **ITALIAN GOVERNMENT BOND (LIFFE)** ITL 200 million - pts of 100 pct | | | | | |
| Mar 98 | 115.31 | 114.75 | 115.30 | +0.63 | 112,648 |
| Jun 98 | 114.60 | 114.60 | 114.73 | +0.59 | 53 |
| Sep 98 | N.T. | N.T. | 114.73 | +0.59 | 0 |
| Est. sales: 43,129. Prev. sales: 28,468 | | | | | |
| Prev. open int.: 112,701 off 1,093 | | | | | |
| **LIBOR 1-MONTH (CMER)** $3 million- pts of 100 pct. | | | | | |
| Dec 97 | 94.04 | 94.02 | 94.03 | unch. | 19,872 |
| Jan 98 | 94.29 | 94.27 | 94.28 | +0.01 | 12,407 |
| Feb 98 | 94.25 | 94.32 | 94.24 | +0.02 | 5,279 |
| Est. sales 5,511 Wed's sales 4,497 | | | | | |
| Wed's open int 41,997, off 520 | | | | | |
| **EURODOLLARS (CMER)** $1 million-pts of 100 pct. | | | | | |
| Dec 97 | 94.11 | 94.08 | 94.09 | +0.01 | 372,848 |
| Feb 98 | 94.12 | 94.11 | 94.17 | +0.06 | 2,743 |
| Mar 98 | 94.17 | 94.09 | 94.16 | +0.05 | 488,538 |
| Jun 98 | 94.16 | 94.08 | 94.14 | +0.06 | 389,315 |
| Sep 98 | 94.13 | 94.04 | 94.11 | +0.07 | 269,348 |
| Dec 98 | 94.06 | 93.97 | 94.03 | +0.07 | 213,142 |
| Mar 99 | 94.06 | 93.98 | 94.03 | +0.07 | 159,658 |
| Jun 99 | 94.02 | 93.95 | 93.99 | +0.07 | 134,651 |
| Sep 99 | 93.99 | 93.84 | 93.96 | +0.07 | 92,667 |
| Dec 99 | 93.94 | 93.78 | 93.91 | +0.08 | 97,277 |
| Mar 00 | 93.95 | 93.86 | 93.92 | +0.08 | 73,143 |
| Jun 00 | 93.93 | 93.85 | 93.90 | +0.08 | 60,364 |
| Est. sales 578,509 Wed's sales 361,130 | | | | | |
| Wed's open int 2,798,842, up 690 | | | | | |
| **BRITISH POUND (CMER)** 62,500 pounds, $ per pound | | | | | |
| Dec 97 | 1.6596 | 1.6438 | 1.6566 | +0.0068 | 32,298 |
| Mar 98 | 1.6522 | 1.6408 | 1.6496 | +0.0066 | 20,925 |
| Jun 98 | 1.6460 | 1.6406 | 1.6424 | +0.0062 | 1,256 |
| Est. sales 12,965 Wed's sales 13,839 | | | | | |
| Wed's open int 54,480, up 1,530 | | | | | |
| **CANADIAN DOLLAR (CMER)** 100,000 dollars, $ per Cdn. dlr | | | | | |
| Dec 97 | .7031 | .6995 | .7009 | -0.0017 | 35,592 |
| Mar 98 | .7060 | .7024 | .7035 | -0.0019 | 46,812 |
| Jun 98 | .7084 | .7040 | .7055 | -0.0022 | 2,130 |
| Est. sales 20,336 Wed's sales 17,745 | | | | | |
| Wed's open int 85,797, off 1,170 | | | | | |
| **GERMAN MARK (CMER)** 125,000 marks, $ per mark | | | | | |
| Dec 97 | .5679 | .5574 | .5676 | +0.0077 | 42,432 |
| Mar 98 | .5710 | .5622 | .5704 | +0.0078 | 58,963 |
| Jun 98 | .5737 | .5710 | .5734 | +0.0078 | 4,246 |
| Est. sales 51,378 Wed's sales 24,768 | | | | | |
| Wed's open int 105,778, off 2,146 | | | | | |
| **JAPANESE YEN (CMER)** 12.5 million yen, $ per 100 yen | | | | | |
| Dec 97 | .7775 | .7682 | .7688 | -0.0048 | 60,985 |
| Mar 98 | .7883 | .7787 | .7794 | -0.0048 | 86,934 |
| Jun 98 | .7958 | .7900 | .7903 | -0.0048 | 1,454 |
| Est. sales 31,155 Wed's sales 56,237 | | | | | |
| Wed's open int 150,848, off 6,602 | | | | | |
| **SWISS FRANC (CMER)** 125,000 francs, $ per franc | | | | | |
| Dec 97 | .7025 | .6865 | .7020 | +.0100 | 23,436 |
| Mar 98 | .7100 | .6980 | .7095 | +.0104 | 37,151 |
| Jun 98 | .7166 | .7098 | .7166 | +.0106 | 1,447 |
| Est. sales 23,993 Wed's sales 19,362 | | | | | |
| Wed's open int 62,149, off 2,746 | | | | | |
| **MEXICAN PESO (CMER)** 500,000 pesos, $ per peso | | | | | |
| Dec 97 | .12270 | .12130 | .12190 | -.00567 | 10,311 |
| Mar 98 | .11780 | .11660 | .11722 | -.00794 | 15,499 |
| Jun 98 | .11370 | .11290 | .11322 | -.00934 | 3,260 |
| Est. sales 10,429 Wed's sales 9,687 | | | | | |
| Wed's open int 33,873, up 1,372 | | | | | |
| **3-MONTH STERLING (LIFFE)** £500,000 - pts of 100 pct | | | | | |
| Dec 97 | 92.31 | 92.29 | 92.31 | +0.02 | 140,154 |
| Mar 98 | 92.35 | 92.30 | 92.35 | +0.06 | 123,687 |
| Jun 98 | 92.48 | 92.41 | 92.47 | +0.07 | 102,342 |
| Sep 98 | 92.64 | 92.54 | 92.64 | +0.11 | 84,127 |
| Dec 98 | 92.81 | 92.72 | 92.81 | +0.11 | 76,262 |
| Mar 99 | 93.00 | 92.92 | 93.00 | +0.10 | 65,838 |
| Jun 99 | 93.17 | 93.10 | 93.18 | +0.11 | 54,840 |
| Est. sales: 90,074. Prev. sales: 54,292 | | | | | |
| Prev. open int.: 800,984 off 3,428 | | | | | |
| **3-MONTH EUROMARK (LIFFE)** DM1 million - pts of 100 pct | | | | | |
| Dec 97 | 96.25 | 96.23 | 96.25 | +0.02 | 222,630 |
| Jan 98 | 96.28 | 96.24 | 96.26 | +0.04 | 14,201 |
| Feb 98 | N.T. | N.T. | 96.18 | +0.04 | 750 |
| Mar 98 | 96.15 | 96.09 | 96.15 | +0.07 | 341,709 |
| Jun 98 | 95.94 | 95.86 | 95.94 | +0.09 | 317,767 |
| Sep 98 | 95.77 | 95.68 | 95.77 | +0.10 | 228,902 |
| Dec 98 | 95.57 | 95.48 | 95.56 | +0.10 | 199,012 |
| Mar 99 | 95.40 | 95.30 | 95.38 | +0.10 | 240,603 |
| Jun 99 | 95.23 | 95.14 | 95.22 | +0.10 | 111,296 |
| Sep 99 | 95.09 | 95.01 | 95.09 | +0.10 | 89,368 |
| Est. sales: 282,991. Prev. sales: 135,009 | | | | | |
| Prev. open int.: 1,949,773 off 7,472 | | | | | |
| **3-MONTH PIBOR (MATIF)** FF5 million - pts of 100 pct | | | | | |
| Dec 97 | 96.32 | 96.30 | 96.32 | + 0.02 | 48,536 |
| Jan 98 | 96.24 | 96.24 | 96.25 | + 0.03 | 352 |
| Mar 98 | 96.16 | 96.09 | 96.15 | + 0.08 | 68,782 |
| Jun 98 | 95.93 | 95.87 | 95.92 | + 0.07 | 36,379 |
| Sep 98 | 95.77 | 95.69 | 95.75 | + 0.07 | 29,079 |
| Est. sales: 77,846. | | | | | |
| Open int.: 287,057 off 450. | | | | | |
| **3-MONTH EUROLIRA (LIFFE)** ITL 1 million - pts of 100 pct | | | | | |
| Dec 97 | 93.91 | 93.89 | 93.91 | +0.03 | 90,773 |
| Mar 98 | 94.78 | 94.70 | 94.77 | +0.08 | 126,281 |
| Jun 98 | 95.30 | 95.23 | 95.29 | +0.07 | 128,033 |

| | High | Low | Latest | Chge | Opint |
|---|---|---|---|---|---|
| Sep 98 | 95.43 | 95.38 | 95.43 | +0.06 | 77,929 |
| Dec 98 | 95.40 | 95.31 | 95.39 | +0.09 | 59,692 |
| Mar 99 | 95.25 | 95.19 | 95.25 | +0.08 | 83,633 |
| Est. sales: 72,425. Prev. sales: 67,308 | | | | | |
| Prev. open int.: 603,753 up 491 | | | | | |
| **Industrials** | | | | | |
| **COTTON 2 (NCTN)** 50,000 lbs.- cents per lb. | | | | | |
| Mar 98 | 68.50 | 67.60 | 67.78 | -0.27 | 44,477 |
| May 98 | 69.80 | 69.05 | 69.14 | -0.24 | 14,542 |
| Jul 98 | 71.10 | 70.50 | 70.53 | -0.12 | 15,192 |
| Oct 98 | 72.90 | 72.60 | 72.60 | -0.10 | 1,309 |
| Dec 98 | 73.90 | 73.57 | 73.57 | -0.07 | 11,322 |
| Est. sales N.A. Wed's sales 11,309 | | | | | |
| Wed's open int 87,628, up 1,067 | | | | | |
| **HEATING OIL (NMER)** 42,000 gal, cents per gal | | | | | |
| Jan 98 | 52.05 | 51.10 | 51.45 | -0.21 | 49,546 |
| Feb 98 | 52.80 | 51.90 | 52.18 | -0.26 | 36,001 |
| Mar 98 | 53.00 | 52.20 | 52.38 | -0.21 | 17,620 |
| Apr 98 | 52.45 | 51.90 | 51.98 | -0.11 | 9,374 |
| May 98 | 52.00 | 51.50 | 51.53 | -0.06 | 7,462 |
| Jun 98 | 51.90 | 51.40 | 51.43 | -0.01 | 9,475 |
| Jul 98 | 51.90 | 51.53 | 51.53 | -0.01 | 3,804 |
| Est. sales N.A. Wed's sales 44,987 | | | | | |
| Wed's open int 148,949, up 4,250 | | | | | |
| **LIGHT SWEET CRUDE (NMER)** 1,000 bbl.- dollars per bbl. | | | | | |
| Jan 98 | 18.33 | 17.95 | 18.15 | +0.01 | 94,864 |
| Feb 98 | 18.57 | 18.25 | 18.40 | -0.01 | 86,492 |
| Mar 98 | 18.74 | 18.42 | 18.61 | unch. | 38,365 |
| Apr 98 | 18.88 | 18.65 | 18.78 | +0.02 | 24,412 |
| May 98 | 18.99 | 18.78 | 18.92 | +0.04 | 22,645 |
| Jun 98 | 19.07 | 18.87 | 18.99 | +0.04 | 34,915 |
| Est. sales N.A. Wed's sales 152,886 | | | | | |
| Wed's open int 449,959, up 15,581 | | | | | |
| **NATURAL GAS (NMER)** 10,000 mm btu's, $ per mm btu | | | | | |
| Jan 98 | 2.380 | 2.280 | 2.340 | -0.020 | 32,267 |
| Feb 98 | 2.360 | 2.270 | 2.320 | -0.030 | 32,267 |
| Mar 98 | 2.310 | 2.240 | 2.260 | -0.040 | 22,079 |
| Apr 98 | 2.225 | 2.175 | 2.185 | -0.032 | 11,191 |
| May 98 | 2.200 | 2.160 | 2.170 | -0.015 | 9,310 |
| Jun 98 | 2.200 | 2.165 | 2.165 | -0.015 | 8,972 |
| Est. sales N.A. Wed's sales 69,174 | | | | | |
| Wed's open int 212,368, up 2,294 | | | | | |
| **UNLEADED GASOLINE (NMER)** 42,000 gal, cents per gal | | | | | |
| Jan 98 | 54.80 | 53.60 | 54.09 | -0.17 | 31,708 |
| Feb 98 | 55.40 | 54.55 | 54.77 | -0.21 | 22,883 |
| Mar 98 | 55.90 | 55.15 | 55.49 | -0.12 | 11,565 |
| Apr 98 | 58.60 | 58.20 | 58.29 | -0.07 | 10,019 |
| May 98 | 58.55 | 58.00 | 58.14 | -0.08 | 9,786 |
| Jun 98 | 58.25 | 57.69 | 57.69 | -0.08 | 7,073 |
| Jul 98 | 57.75 | 57.09 | 57.09 | -0.08 | 6,193 |
| Aug 98 | 57.10 | 56.24 | 56.24 | -0.08 | 2,906 |
| Est. sales N.A. Wed's sales 55,227 | | | | | |
| Wed's open int 105,977, up 6,904 | | | | | |
| **GASOIL (IPE)** U.S. dollars per metric ton - lots of 100 tons | | | | | |
| Dec 97 | 157.50 | 155.25 | 158.00 | Unch. | 4,697 |
| Jan 98 | 159.75 | 155.50 | 158.25 | +0.75 | 30,883 |
| Feb 98 | 160.50 | 157.75 | 160.00 | +1.00 | 14,761 |
| Mar 98 | 160.50 | 158.50 | 160.00 | +1.00 | 11,638 |
| Apr 98 | 160.75 | 159.50 | 160.75 | +0.75 | 4,851 |
| May 98 | 161.25 | 159.50 | 161.00 | +0.50 | 3,007 |
| Jun 98 | 161.00 | 159.50 | 161.00 | +0.50 | 11,532 |
| Est. sales: 28,000. Prev. sales: 34,837 | | | | | |
| Prev. open int.: 96,099 off 3,556 | | | | | |
| **BRENT OIL (IPE)** U.S. dollars per barrel - lots of 1,000 barrels | | | | | |
| Jan 98 | 17.95 | 17.20 | 17.41 | —0.01 | 39,951 |
| Feb 98 | 17.70 | 17.32 | 17.52 | —0.01 | 68,410 |
| Mar 98 | 17.75 | 17.40 | 17.61 | +0.02 | 27,030 |
| Apr 98 | 17.75 | 17.45 | 17.67 | +0.02 | 13,062 |
| May 98 | 17.78 | 17.52 | 17.72 | +0.05 | 11,453 |
| Jun 98 | 17.81 | 17.52 | 17.76 | +0.07 | 17,844 |
| Est. sales: 60,441. Prev. sales: 55,628 | | | | | |
| Prev. open int.: 193,404 off 2,501 | | | | | |
| **Stock Indexes** | | | | | |
| **SP COMP INDEX (CMER)** 250 x index | | | | | |
| Dec 97 | 970.20 | 952.00 | 956.70 | -13.50 | 255,439 |
| Mar 98 | 975.00 | 962.00 | 967.80 | -13.40 | 159,111 |
| Jun 98 | 979.50 | 978.50 | 979.50 | -12.40 | 7,971 |
| Est. sales N.A. Wed's sales 195,269 | | | | | |
| Wed's open int 424,689, up 6,056 | | | | | |
| **FTSE 100 (LIFFE)** £25 per index point | | | | | |
| Mar 98 | 115.31 | 114.75 | 115.30 | +0.63 | 112,648 |
| Jun 98 | 114.60 | 114.60 | 114.73 | +0.59 | 53 |
| Est. sales: 12,742. Prev. sales: 17,151 | | | | | |
| Prev. open int.: 64,840 off 1,094 | | | | | |
| **CAC 40 (MATIF)** FF200 per index point | | | | | |
| Dec 97 | 2893.0 | 2830.0 | 2832.0 | — 103. | 39,433 |
| Jan 98 | 2892.0 | 2839.5 | 2839.0 | — 103. | 7,830 |
| Feb 98 | 2866.5 | 2866.5 | 2848.0 | — 103. | 1,050 |
| Mar 98 | 2910.0 | 2857.0 | 2855.5 | — 103. | 11,780 |
| Sep 98 | 2902.0 | 2902.0 | 2844.0 | — 103. | 10,633 |
| Mar 99 | 2960.0 | 2960.0 | 2906.0 | — 103. | 4,840 |
| Est. sales: 22,201. | | | | | |
| Open int.: 78,296 up 802. | | | | | |

**Commodity Indexes**

| | Close | Previous |
|---|---|---|
| Moody's | 1,504.80 | 1,488.30 |
| Reuters | 1,793.30 | 1,797.60 |
| D.J. Futures | 145.42 | 146.07 |
| CRB | 235.62 | 237.47 |

*Sources: Matif, Associated Press, London Int'l Financial Futures Exchange, Int'l Petroleum Exchange.*

ASIA/PACIFIC

# Under IMF Umbrella, Philippines Weathers Asian Storm

By Edward A. Gargan
*New York Times Service*

MANILA — Christmas roars into the Philippines with sacks of red ribbons and plastic fir trees festooned in frosted and sequined glass bulbs. Streets are lathered in stars, candles and pulsing light displays of Santa's sleigh dashing through the tropical humidity.

Determined not to be left out, the Philippine central bank on Roxas Boulevard has draped its office block in a lighted display of its own: four mammoth charts tracking the country's inflation rate, foreign-exchange reserves, economic growth and rate on 91-day Treasury bills.

Merry Christmas!

Indeed, in the Philippines, long regarded as a comedic, boisterously democratic laggard, the turmoil afflicting other Asian economies has left many people feeling a bit more merry than usual. The thunder of collapsing banks and the cracking of economic hubris elsewhere are even making Filipinos a bit smug.

The Philippines has seen its currency and stock market fall in recent months, but it has not experienced the banking and real-estate chaos that has afflicted other countries in East Asia. Unlike Bangkok and Jakarta, where cranes stand frozen over dozens of abandoned building sites, Manila is a hive of construction; with occupancy rates in the business districts at about 98 percent, the thirst for new buildings remains strong.

While Bangkok's projected light-rail line is just a procession of silent concrete pillars, workers swarm over the site of Manila's new overhead light-rail line.

The Philippines has proved the exception mainly because it has not tried to leap ahead as rapidly as its neighbors, taking a conservative tack at least partly mandated by the International Monetary Fund.

"There's a bit of truth to the case of the turtle and the hare," said Washington SyCip, 75, the founder of the country's largest insurance conglomerate, SGV Group, and the man widely regarded as the dean of the country's financial sector. By moving slowly, he said, the nation did not "make all the mistakes of our neighbors."

Foreign investors, rather than shying away in alarm as they have elsewhere in the region, are still coming in.

While countries across East Asia, from Thailand to Indonesia to South Korea, are begging the IMF to rescue them, the Philippines is toying with the notion of leaving IMF supervision this month after 34 years, having met the Fund's targets for economic stability.

"We learned our lessons much earlier, and the past five years have been a time of resolute and pervasive correction and reform," President Fidel Ramos said during a visit to the United States last month. In the Philippines, he said, "we have felt the lash of the turmoil, although we have not been guilty of the mistakes" made by other Asian countries.

In a sense, it hardly matters whether Manila leaves IMF supervision; the mere discussion of such a step sets the country apart from its neighbors and provides evidence of an economy distinctly better off than the savaged ones nearby.

In some ways, the Philippines has mimicked the problems that sparked the Asian crisis. The peso has plunged nearly 30 percent in value, and the Manila stock market, perhaps because many outsiders fail to distinguish it from its neighbors, has tumbled about 35 percent since July. On Thursday, the market's main index was down 4.93 percent, closing at 1,875.63 points.

The Philippines has resisted the impulse to erect the world's tallest building, to manufacture a "national" car while imposing high tariffs on competitors, to build a "national" airplane or to plan a new capital. In short, it has eschewed the hubris that has infected many Asian "tiger" economies.

"We have liberalized the economy," argued Victor Limlingan, a senior professor at the Asian Institute of Management, a leading business school. "There are virtually no tariff protections. What's saving us is the liberalization program. Growth has spread out."

Virtually all economists agree that decades of IMF supervision have set the country's economy firmly on rails leading to steady but unostentatious growth. In the past six years, under Mr. Ramos, the government has divested itself of everything from the national airline to electric power systems, banks and water supplies or is in the process of doing so.

The government's budget is in surplus, and sweeping reforms that would simplify the tax code while increasing revenue are on the brink of passage. And in contrast to Thailand, where banks are straining under a rate of bad loans of more than 20 percent, Philippine banks boast a rate of only 3.4 percent.

"We are more conservative fiscally," said Jose Antonio Leguie of the World Bank. "Monetary policy wasn't too bold, and the structure of the economy is not like Thailand, for example, which borrowed huge amounts externally."

Matthew Sutherland, head of Philippine research at Paribas Asia Equity, said: "I don't think we have the systemic problems of the rest of Asia. The property sector is not overblown, banking is not in trouble, there has not been a lot of borrowing in U.S. dollars. We don't need three years of a tighter belt and severe austerity."

After the collapse of the dictatorship of Ferdinand Marcos in 1986, a lot of the flagrant cronyism and corruption that he had nurtured died as well. Although corruption still exists, the privatization of much of the economy and an increasing openness in economic decision-making have wiped out a fair amount of the cronyism in business and government.

A lot of the economic growth comes from overseas. Philippine exports have climbed more than 25 percent in the past year, and many analysts expect foreign and domestic investment to continue to grow.

"A lot is going on in industrial zones," said Jose Mario Cuyegkeng, research director at ING Baring Securities, "and while we have one of the highest wages in the region, we have the higher productivity. Many people here speak English, and we have one of the cheapest middle-management salary structures anywhere."

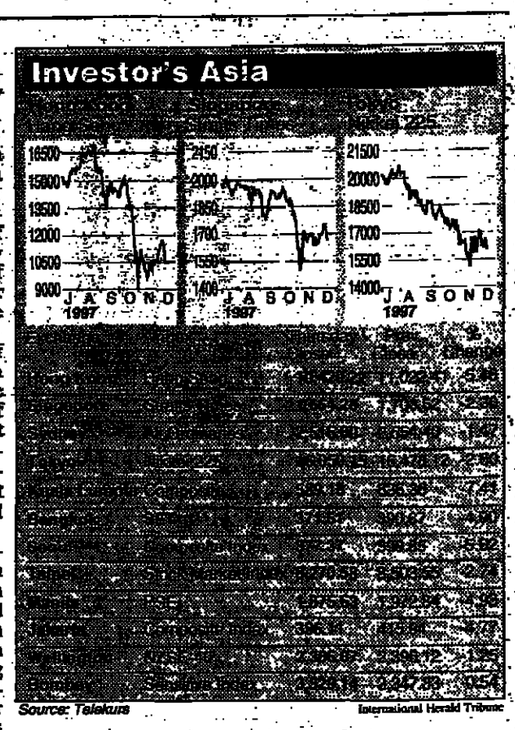
For companies with domestic markets, however, things are likely to be tougher in the coming year.

There are already signs that consumer spending is waning. The most recent data available indicate that sales of many larger items began to fall in July, particularly televisions, fans and washing machines.

Even so, Roberto Benares, who runs a small investment bank here called Asian Alliance Investment Corp., said that while he foresaw more mergers and acquisitions as some companies faced difficulties — there have been almost no initial public offerings on the Manila exchange since July — he remained confident that the country's fundamentals and its corporate base were sound.

Most frustrating, Mr. SyCip of SGV said, is the tendency of bankers and investors outside Asia to lump the region into one pot.

"All countries in the region do have problems," he said, "but not serious enough for 50 percent declines in stock markets — except for Thailand. Here, building is still going on. Our banking system is much more transparent. Our export figures are comfortably up, and a lot of plants are coming on line. It's a failure to distinguish one country from another."




## Very briefly:

• **Taiwan** took in a net $364.5 million in stock investments from foreigners in the first 10 days of December, the first positive net transfer since May.

• **Japan** was urged to remove obstacles to foreign investment by Thomas Foley, the new U.S. ambassador. "The list of necessary policy changes will undoubtedly be quite long, including such difficult items as stock market regulations, accounting standards and tax rules," he said at a conference.

• **Microsoft Corp.'s** chairman, Bill Gates, said software piracy was still a major issue in China because counterfeiters had become more sophisticated.

• **China's** statistics bureau said the country's 67,400 state-owned industrial enterprises posted pretax profits of 199.66 billion yuan ($24.03 billion) from January to September, up 10.3 percent from September 1996.

• **Japan's** small businesses will invest 10 percent less in the wholesale, retail and service industries in the year ending in March 1998, reflecting the impact of increased taxes on consumer spending and pessimism about economic recovery, the Small and Medium Enterprises Agency said.

• **Dickson Concepts (International) Ltd.**, the Hong Kong retailer, said its first-half earnings fell 76 percent, to 196.3 million Hong Kong dollars ($25.3 million) as sales rose 1.4 percent, to 2.6 billion dollars.

• **Peregrine Investments Holdings Ltd.**, fulfilling its pledge to release preliminary figures to counter speculation that the company was in difficulty, said it earned a net profit of 386.7 million Hong Kong dollars for the first 10 months of the year, compared with 855.6 million dollars for all of the previous financial year. *AFP, Bloomberg, Reuters*

# Malaysia Files Charges Against Credit Lyonnais

By Thomas Fuller
*International Herald Tribune*

KUALA LUMPUR — Three months after Prime Minister Mahathir bin Mohamad warned that he would punish speculators hurting the Malaysian economy, authorities Thursday charged the securities arm of Credit Lyonnais with short-selling the stock market, a criminal offense.

A trader with CIMB Securities Sdn., a company based in Kuala Lumpur, who is alleged to have executed the order for Credit Lyonnais Securities (Asia) Ltd. in Singapore was arrested on three charges of short-selling and released on bail. The charge carries a maximum penalty of 10 years in prison and a fine of 1 million ringgit ($274,000).

Credit Lyonnais and the brokerage both denied the charges and vowed to fight the action in court.

The charges are the latest move in a four-month campaign by Mr. Mahathir against foreign investors, whom he has repeatedly charged with destroying the economies of Southeast Asia by dumping shares.

Short-selling, which tends to put downward pressure on the market, was allowed under certain circumstances until Malaysia banned it in late August in an attempt to prop up a falling stock market.

But the restrictions caused stocks to plunge further as foreign investors became infuriated at the change of rules.

Analysts said the decision to enforce the short-selling law could keep foreign investors away from the Malaysian market because it could be seen as singling out a foreign company over a relatively minor offense.

The charges filed Thursday relate to three deals that took place before the ban on short-selling was announced.

The transactions involved have a total value of about 1.4 million ringgit, according to the Bernama press agency.

The main stock market index fell 7.89 percent Thursday, bringing the drop in Kuala Lumpur so far this year to nearly 70 percent in dollar terms, making the exchange one of the world's worst-performing markets.

The charges are yet another blow for Credit Lyonnais, which in recent years has slid from Europe's biggest bank to a debt-laden basket case. Its Asian business, however, had been a bright spot for the French company. Last year, the bank predicted its Asian asset-management arm would double its portfolio within 12 months.

John Leonard, European banking analyst at Salomon Smith Barney in London, said, "At least before the crisis erupted six months ago, both their investment-banking and securities activities outside Europe had been performing very strongly and really quite independently of all the distress in some of the European operations."

Short-sellers borrow a stock and then sell it with the intention of buying it back later after its price falls. They can then return the stock to the lender and keep the difference between the price they sold it for and the price they paid to buy it back.

Foreign investors and securities companies have incurred Mr. Mahathir's wrath. He has called them "self-serving rogues" and "anarchists."

George Soros, the billionaire financier, has been a special target of Mr. Mahathir's.

He has said Mr. Soros epitomizes the greed of the global securities and finance industry.

In Paris, Credit Lyonnais shares finished 21 francs lower at 314 ($52.37).

Shizuo Kambayashi/The Associated Press

**HELPING HAND — Deputy Prime Minister Nguyen Manh Cam of Vietnam, left, meeting with Andrew Steer, a World Bank representative, about financial support for Hanoi.**

## Firms Plan U.S.-China Cable Link

*Compiled by Our Staff From Dispatches*

HONG KONG — Hong Kong Telecommunications Ltd. said Thursday it had signed an agreement with 13 other leading international telecommunications companies to build the first undersea fiber-optic cable network linking China and the United States.

The companies expect to spend $1.1 billion to build the 30,000-kilometer (18,600-mile) cable, which is to connect the United States to China, Korea, Taiwan, Japan and Guam.

The cable is to be equally owned by the 14 parties, and the system is to be capable of carrying 1 million phone calls at the same time. *(Reuters, Bloomberg)*

# FUJI: *Muscular Marketing Pays*

Continued from Page 15

earnings estimates. And, First Call says, many analysts have raised their estimates for next year.

They have reason to. Fuji has close to $4.5 billion in cash, and because film prices — and thus, profit margins — are high in Japan, Fuji's 70 percent share of Japan's $1.8 billion film market should continue to provide ample cash flow.

For now, Kodak and Fuji each command about one-third of sales outside of their home countries. But as Fuji steadily grabs market share in the United States, its global share is creeping closer to 38 percent.

"Fuji is poised to take the lead in the world market," said B. Alexander Henderson, an analyst with Prudential Securities.

Kodak still sells more than 70 percent of the film in the United States, but Fuji keeps chipping away.

"Amateurs see film as an undifferentiated commodity, and the classical way to sell a commodity is by price," said Eugene Fram, a marketing professor at the Rochester Institute of Technology.

Pricing is less likely to be the key to supremacy in the digital arena. Although many analysts say Fuji outranks Kodak in electronics expertise, it is competing with many other companies for digital sales.

"Sony, Hewlett-Packard, all kinds of noncamera companies are weighing in," said Thomas Dufficy, head of the Photographic and Imaging Manufacturers Association.

For now, Fuji's main goal is to get its film onto as many American retail shelves — and into as many American hands — as possible. Analysts say that where Kodak has taken American loyalty for granted, Fuji has actively courted Americans.

It was Kodak's refusal to spend $1 million to be the official film of the 1984 Summer Olympics in Los Angeles that gave Fuji its first marketing toehold. Fuji embraced the sponsorship and spent $7 million to promote its brand.

"The results were fabulous — we got 70,000 new stores selling Fuji film," Mr. Hudak said.

Fuji has not let up since. The Fuji blimp routinely flies over the United States Open tennis tournament. Fuji sponsors an ornate float in the Macy's Thanksgiving Day parade in New York, and it co-sponsors a program with Scholastic Magazines to teach children to communicate with photographs.

Now it is bolstering its consumer research. When one study showed that consumers wanted bargains on mundane items, Fuji offered buyers of its film a discount on batteries or diapers. When focus groups showed that people had trouble selecting film, Fuji changed its packaging to show which film to buy for what photo.

Still, Kodak does have the home-market advantage, and that may yet slow the Fuji juggernaut.

"It's a foreign brand, up against an American motherhood label," Mr. Kelly of Goldman Sachs said.

Kodak still has its share of loyalists.

"I've never felt a need to carry Fuji film," said Mitchell Goldstone, who owns 30 Minute Photo, a photography shop in Irvine, California, and just began a $10,000 campaign to rally American support for Kodak. "Kodak is still the No. 1 brand in the world."

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هكذا من الأصل

# EMERGING MARKETS IN CENTRAL AND EASTERN EUROPE

## A TALE OF TWO CONVERGING EUROPES: THE ADVENT OF INTERDEPENDENCE

*The Central and East European region is fast outgrowing its image as the "market of the future."*

Trade between Western and Eastern Europe is surging. This balanced growth is being triggered by the ever-growing intermeshing of the regions' economies, neither of which can now flourish without the other's supplies and markets.

This major change began in the early 1990s and was spurred by the successful revamping of the product lines of Central and East European corporations. The region's products are now increasingly sophisticated technologically, with quality ranging from satisfactory to excellent.

As the latest statistics show, the economies of the two halves of Europe are increasingly converging. During the post-revolution period, most of the CEE's advanced countries quickly and successfully reoriented their economies westward, and Western Europe now takes roughly two-thirds of the countries' exports. This means that a trend like increased GDP growth in Western Europe can translate directly into more exports for the East.

This was not the case in the early '90s, when the CEE was politely referred to as the "market of the future" by West European corporations, which viewed the neighboring region as a source of supplemental sales and cheap supplies, but certainly not as the market "you can't afford not to be in."

That designation was reserved for the fast-growing Asian and Latin American markets, and for the United States and Japan, long the world's "locomotive" economies. The European Union's volume of trade with these markets was between three and eight times larger than that with the CEE region.

**Corporate excitement**

This attitude toward the market as a whole notwithstanding. Western Europe's corporations — and the rest of the international business community — were excited from the outset about the opportunities in several national markets in the CEE region.

Notable among them was Hungary, the main recipient of Western Europe's first investments. In the early '90s, Hungary accounted for two-fifths of the annual inflow of long-term capital in the region — not bad for a country with one-thirty-fifth of the CEE region's population.

The inflow has continued to this day, with the country's foreign direct investment now totaling $17 billion. Moreover, the West's investments in the country have largely been a success, in spite of some delays in realizing projects.

This has caused a spillover affecting the rest of the "advanced eight" (the Visegrad Five — Slovenia, Slovakia, the Czech Republic, Hungary and Poland — and the three Baltic states), particularly Poland and the Czech Republic.

For the last six years, Poland has had the best-performing economy in the region, averaging 6 percent annual growth in gross domestic product. Its domestic consumption figure showed an even stronger rise.

The Czech Republic, now embroiled in a bout of economic travails, has had the best "social" and fiscal figures in the region, recording the CEE's lowest rates of unemployment and smallest budget deficits.

These performances have been recognized by the international business community. PAIZ, Poland's investment promotion agency, reports that the country has received a total of $21 billion in foreign direct investment and related commitments to date. CzechInvest, PAIZ's Czech counterpart, puts the corresponding figure at nearly $8 billion.

By 1995, the flow of capital into Hungary, Poland and the Czech Republic had elevated the CEE region to a special form of parity, reports the OECD. In 1995, in a first, the cumulative amount invested by the EU's corporations in the CEE equaled the total capital invested in Latin America and the Far East.

**A stake in the region's future**

This massive flow of capital, which totaled $40 billion through 1996 (excluding Russia), has given the EU's corporations a great stake in the CEE's future, especially as much of this investment has gone to build facilities producing relatively high-quality, low-priced supplies shipped westward to the corporations' home production operations.

The same items are also being produced by domestically owned factories, many of which have been successfully revamped.

Together, this stream of parts, components and subsystems has accounted for the bulk of the CEE region's ever-greater outflow of products to the West.

Over the last seven years, the Czechs have nearly tripled their total annual exports, and Poland has almost doubled its exports. Hungary has increased its exports 41 percent over the last three years, reports the country's office of statistics.

They are not alone. Between 1994 and 1997, Russia raised its exports by 33 percent. The large surplus that Russia — which accounts for two-fifths of all trade done by the CEE region with the West — traditionally runs with the EU explains why the CEE's overall balance of trade with the EU is set to be in the black in 1997.

Other major export rises recorded during the three-year period: 104 percent for Lithuania, 96 percent for Latvia, 90 percent for Romania, 73 percent for Estonia and 60 percent for Slovenia.

The modern facilities — whether owned by foreign or domestic corporations — at which the CEE's components are manufactured are often imports from Western Europe, as are the power plants generating their electricity and the communications lines linking them to the world.

These items account for the bulk of the EU's burgeoning exports to the CEE region, which have increased some three-quarters over the last four years, according to Germany's IWD (Informationsdienst des Instituts der Deutschen Wirtschaft) economic research unit.

"There's been a very productive intermeshing of supply and demand on both sides," says Rainer Siegelkow, expert on Central and East European business trends and senior economist at the Düsseldorf-based Westdeutsche Landesbank Girozentrale (WestLB). "The West European economy's area of strength is medium-to-high-tech capital goods, and that's precisely what transforming economies especially require. In turn, by offering products with good price-quality ratios, CEE-based manufacturers have, to some extent, displaced their counterparts in Southern Europe, Southeast Asia and Latin America as prime suppliers to Western Europe's industrial corporations."

**Too much of a good thing?**

Has its growing volume of investment in and trade with the CEE region reached the point where the EU's business community is dependent upon the flourishing of the region?

"It would be a bit premature to say that," says Mr. Siegelkow. "After all, the CEE region accounted for only 4 percent of the EU's total trade in 1996. But it's definitely the case that the region has become highly important to Western Europe and is set to become much more so, should present trends be maintained."

Germany has seen its exports to the CEE double over the past four years, with imports rising 65 percent. This trend is gathering strength. The CEE region ordered goods worth 40 billion Deutsche marks ($22.7 billion) from German corporations during the first half of 1997 alone — up a solid quarter over the first half of 1996.

One encouraging trend is the growing percentage of finished goods in the mix of products heading westward from the CEE countries. Notable among them are computers and cars. The CEE region's production of cars rose at a rate of nearly 20 percent annually between 1993 and 1996, with domestic demand projected to rise 40 percent during the period. The majority of the automobiles will be exported, mainly to the West. ●

### A LOOK AT THE NUMBERS

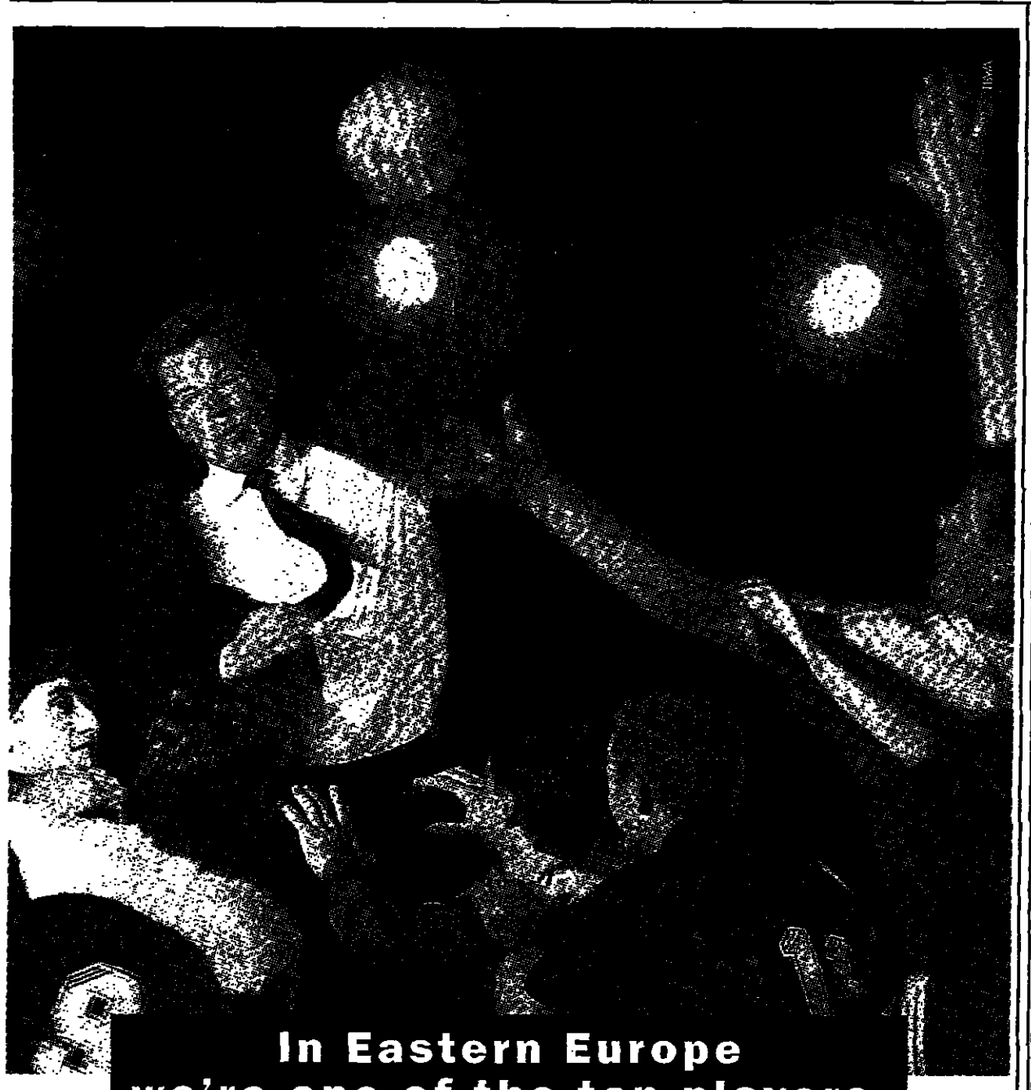
*A statistical overview of Central and East European economies shows gross domestic products generally continuing their upward climb while inflation continues to drop off. Unemployment is in many cases stabilizing. With all major policies now implemented and all necessary institutions set up, 1998 will decide whether or not the CEE region has, in fact, become a major contender on the world's markets for trade and investment or whether it will remain a patchwork of widely varying, fitfully performing local economies.*

| | GDP (All figures in %) | | | Rate of Inflation (Consumer prices) | | | Rate of Unemployment (As of Dec. 31) | | |
|---|---|---|---|---|---|---|---|---|---|
| *Estimates | 1996 | 1997* | 1998* | 1996 | 1997 | 1998 | 1996 | 1997 | 1998 |
| Belarus | 2.6 | 8 | 4 | 52.7 | 55 | 45 | 3.9 | 4 | 5 |
| Bulgaria | -10.9 | -5 | 0 | 123.3 | 420 | 38 | 12.5 | 18 | 18 |
| Croatia | 4.1 | 3.2 | 3 | 4.8 | 3.5 | 4 | 18.2 | 17 | 18 |
| Czech Republic | 4.4 | 1.5 | 2 | 8.8 | 8.5 | 8.5 | 3.5 | 4.5 | 5.5 |
| Estonia | 4.1 | 4.5 | 5.2 | 24 | 17 | 15 | 4.5 | 5 | 5 |
| Hungary | 1.3 | 3.5 | 4.5 | 23.6 | 17 | 13 | 10.5 | 10 | 8 |
| Latvia | 2 | 2.5 | 3 | 17 | 9.5 | 8.9 | 7.2 | 7.5 | 7 |
| Lithuania | 3.6 | 3.8 | 4 | 24 | 15 | 12 | 6.2 | 7 | 7 |
| Poland | 6 | 6 | 5 | 19.9 | 15 | 12 | 13.6 | 12 | 11 |
| Romania | 4.1 | -3 | -1 | 38.8 | 100 | 25 | 6.3 | 8 | 10 |
| Russia | -6.0 | -1 | 2 | 47.8 | 14.5 | 12 | 9.3 | 10 | 11 |
| Slovakia | 6.9 | 5.5 | 4.5 | 5.8 | 6 | 6 | 12.8 | 12.5 | 12 |
| Slovenia | 3.1 | 3.5 | 4 | 9.9 | 9 | 8 | 14.4 | 14 | 13 |
| Ukraine | -10 | -6 | -2 | 80.6 | 20 | 17 | 1.2 | 2.5 | 3.5 |

| | Trade Balance* | | | Industrial Production** |
|---|---|---|---|---|
| | 1996 | 1997 | 1998 | 1996 |
| Belarus | NA | NA | NA | 3.2 |
| Bulgaria | 2.9 | 2.8 | 2.7 | -1 |
| Croatia | NA | NA | NA | 0 |
| Czech Republic | -10.7 | -11.5 | -11.6 | 6.8 |
| Estonia | -27.7 | -27.8 | -25.4 | 1.1 |
| Hungary | -4.5 | -4.0 | -3.5 | 2.3 |
| Latvia | -10.3 | -9.6 | -8.7 | 1.1 |
| Lithuania | -2.7 | -3.2 | -4.0 | 1.3 |
| Poland | -3.0 | -3.0 | -4.0 | 8.8 |
| Romania | -4.2 | -3.7 | -3.6 | 9.9 |
| Russia | NA | NA | NA | 5.5 |
| Slovakia | -7.5 | -9.7 | -10.8 | 2.5 |
| Slovenia | -6.6 | -6.4 | -6.1 | 1 |
| Ukraine | NA | NA | NA | -5.1 |

*% of GDP
**% of growth over 1995

*Source: Survey of Central and Eastern Europe, Institut für Wirtschaftsforschung Halle, compiled using national statistics and those from the EU*

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## *"LITHUANIA DOES NOT ASK FOR FINANCIAL SUPPORT OR PRIVILEGES IN ITS ACCESSION TO THE EU. WE ASPIRE TO OUR RIGHT TO RETURN TO EUROPE"*

### SAYS THE PRIME MINISTER OF THE REPUBLIC OF LITHUANIA GEDIMINAS VAGNORIUS

The conditions for membership that new countries have to meet, i.e. firm democracy, liberal market economy and the implementation of the European Union legal standards, are understandable to Lithuania. Lithuania would not express any reproach for the EU's not opening real enlargement negotiations with Lithuania if we did not fulfill the requirements set for the start of the negotiations. We feel, however, that Lithuania is being repudiated because of the European Union internal reforms or our geopolitical situation, as according to objective criteria, in fact, we do not lag behind the first five applicant countries recommended by the European Commission.

The Opinion of the European Commission admits that Lithuania has achieved evident results in the implementation of its economic reform and in the harmonization of its legislation; we meet the membership criteria of political stability, level of democracy and protection of human rights and we have model relations with Polish and Russian minorities.

Lithuania is resolutely accomplishing its program of reforms. We cannot delay changes not only because of our aspiration to become a member of the EU, but, first and foremost, in view of the prosperity of our economy and population. Rapid growth of our economy is underlined in forecasts of the European Commission and the conclusions of its experts. They mention that the majority of the economic indicators of Lithuania are better than those in the neighboring states, and inflation as well as unemployment are among the lowest in Central and Eastern Europe.

*The success of the process of economic reforms is witnessed by the growth of gross domestic product. Last year it grew by 3.6 percent, this year it is expected to grow by 5 percent, and the forecast for 1998 is 7 percent growth of GDP. The inflation rate is dropping: it was as high as 36 percent in 1995 and 13 percent in 1996, while during last 12 months it was only 8.2 percent. If we consider how much consumer prices rose due to the elimination of tax allowances on food products and of subsidies for energy resources, net inflation does not exceed 4.2 percent this year. The proof that the government carries out rigid fiscal and monetary policy lies in the reduction of budget deficits: from 2.6 percent in 1996 it dropped to 1.9 percent this year, and the estimated budget for 1998 shows 1.6 percent deficit. Total internal debt makes up only 7 percent of the gross domestic product; with foreign debt included the total public debt is 16.5 percent, which implies a 3 percent drop this year. The unemployment rate is 5.4 percent; it decreased by 15 percent in one year.*

We are favorably affected by psychological changes: private initiative becomes predominant, our population realizes the advantages of a free market and liberal economy. Almost all former state-owned companies have been privatized in Lithuania. The privatization of large energy, communication and transport companies will be accomplished, and an intention to acquire them is expressed by large West European investors.

We abolished all remaining restrictions on investment and administrative limitations on business during the current year. Taxes as well as government intervention into economy have been reduced to the minimum — Lithuania is becoming one of the most liberalized among all the Central and East European countries.

Lithuania imports almost twice as many goods from the EU countries than it exports there. However, Lithuania is as capable as any other state of coping with competitive pressure when it carries out tough and fair fiscal and monetary policy and maintains mutually beneficial trade relations. Lithuania, practically, has opened the gate to goods from the EU, however indirect barriers to our goods that can be overcome only by EU membership still exist. Thus, our competitive capacity will not weaken, on the contrary, it will strengthen when we accede to the EU.

*I would like to emphasize that Lithuania is not an agricultural country. The value of our annual agricultural production is only $1 billion, and our food imports from the EU are larger than our exports there. We are useful trade partners, and our EU membership in real terms would not affect its structural funds.*

We have created a friendly and neighborly environment. We are pleased to maintain such good relations with the neighboring Baltic states as well as with Russia and Poland, since this strengthens stability in the region. Our domestic policy and social environment are stable, too. With its accession to the European Union, Lithuania would not bring in any new problems. Just the opposite, we are determined to contribute to strengthening European stability and security.

I believe that it is not only Europe but the whole world that cares about stability in the Baltic region. We are not asking for financial support or other privileges nor do we attach any particular conditions to our transitional period; therefore negotiations with the stable and rapidly developing Lithuania and all three Baltic states would not be complicated, and the EU countries' interests would not be hurt. We are not asking for commitments in relation to the duration of the negotiations or the concrete date of our accession to the EU. We are resolute and capable of improving any shortcomings in case the European Commission and the European Council still found them, taking into account our actual achievements. Nevertheless, we are worried that due to geopolitical reasons we may be deprived of the right to start real negotiations with the EU. In case such an unfair decision is taken, it may encourage the appearance of new dividing lines and a certain division of the Baltic region of Europe. If because of political motives Lithuania remained in a "gray" zone, the fact, no doubt, would be an erroneous signal to Russian radical communist forces that our country may remain outside the political area of the European Union. This would provoke greater tension in Russia, and the radical opponents of Boris Yeltsin's administration would get one more "political card" about which it is easy to speculate. Sooner or later that would have an impact on Russia's official foreign policy and its relations with neighbors which would increase tension in this region.

Of course, we have unresolved problems yet, but we have been able to improve the major shortcomings pointed out by the European Commission this year and have already fulfilled all the requirements established for the start of the EU enlargement negotiations. Thus, in respect to economic reform and achievements in the field of democracy, Lithuania is fully capable of starting fullfledged membership negotiations together with the first applicant countries. The latter conclusion would probably be made by the European Commission if it had an opportunity to assess our country based on the actual achievements of this year.

*A political decision at Luxembourg Council securing Lithuania's right to return to Europe from which it was ousted against its will is extremely significant to Lithuania. Opening negotiations with us would improve the political climate in the Baltic region and would stabilize rather than strain relations with its neighbors.*

# EMERGING MARKETS IN CENTRAL AND EASTERN EUROPE

## BALTICS JOSTLE FOR POSITION IN THE NEW EUROPE

*Since independence, one country after another has been seen as the leading Baltic economy.*

The Baltics are not in a three-nation beauty pageant, although outside observers have tended to act as if they were since 1991, when the three nations wrested final and full independence from the Soviet Union.

In the immediate aftermath of independence, Lithuania was in top place. Observers were enthusiastic about the size of the country's market — 3.7 million inhabitants, 50 percent more than Latvia (2.5 million) and more than twice the population of Estonia (1.5 million). Lithuania's appeal also stemmed from its geographical and historical ties to Poland, then emerging as the fastest-growing of the Central and East European countries.

When Lithuania failed to immediately translate these assets into solid growth, it was Latvia's turn in the limelight. Newspapers liked to call it the Switzerland or Hong Kong of the Baltic — "Switzerland" being a reference to the country's new, super-hard currency and large banking sector. Clustered in Riga, this sector was prospering from processing the large amount of money being channeled through the country from Russia. The "Hong Kong" label arose from the quick rise of Ventspils as the Baltics' major port and from the trade coming from or going to Russia.

Then, in 1995, a banking scandal hit. Never a pleasant experience for any country, this was especially difficult for Latvia, whose reputation for financial probity was only two years old. The Latvian government quickly instituted a wide range of measures to preclude the further occurrence of such events, but the damage had been done.

***Into the spotlight***

Long the co-favorite, Estonia was elevated into the spotlight, a position it has kept since then. Showing a rigor matched only by Hungary, Estonia has completed its privatization program, with 90 percent of the enterprises once owned by the state now in private hands, and dismantled barriers to foreign ownership.

The ensuing flow of capital from the neighboring Finns, with whom the Estonians share a common ethnic origin, and other countries has facilitated the transformation of these companies, many of which have CEOs and senior executives under 30 years of age. The infusion of fresh capital and new blood has had a discernible effect on the country's economy as a whole.

According to a forecast issued by Estonia's Finance Ministry in early October, the country's rate of GDP growth should be between 6 percent and 8 percent in 1997. Should this materialize, this would be the best mark in the CEE region — and one of the best in the world.

The other Baltic countries are also doing well, if not quite as well as Estonia. Ostwirtschaftsreport, a bulletin on the CEE region, predicts that Latvia and Lithuania will record 4 percent and 3.8 percent GDP rises respectively for the year. The countries' governments are more optimistic, with their predictions running about a percentage point higher.

All three Baltic countries are now having to combat a side effect of this strong growth: ballooning trade deficits. Estonia's figure, currently about 25 percent of GDP, is probably the highest in the world at the moment. Lithuania and Latvia are running deficits of 10 percent or above — nearly as much as the troubled Czech Republic.

To counter these rises, the Baltics' central banks have tightened the money supply. All three countries have trimmed governmental spending.

The beauty pageant was by no means restricted to economics. Items of comparison included the aesthetic attributes of the Baltics' capital cities, the durability of their current administrations and especially their halting progress toward according citizenship to their large-sized Russian minority groups.

***Breakaway***

The pageant came to an unceremonious end on July 15, 1997, when Estonia alone was selected to be part of the first wave of Central and East European accession to the European Union. Did this event herald the beginning of a two-track Baltic?

"If so, a very unfortunate development, one stemming directly from a mistaken kind of comparison," says Professor Manfred Meier-Preschany, senior international banker and chief economic advisor to the Latvian government for several years.

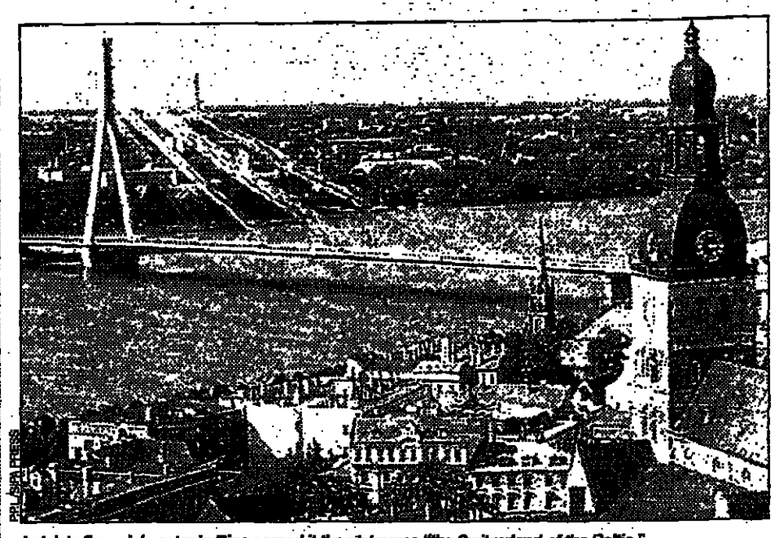
"Rather than stacking the Baltic countries against each other, it would be more instructive to contrast where each is now and where each started from. The legacies of the past have encumbered all of the processes of transformation being undergone by the CEE countries. The Baltics had perhaps the most grievous of all legacies to overcome."

During its four and a half decades of rule in the Baltics, the Soviet Union had made the countries' productive sectors into integral parts of its economic system, composed of an array of vast manufacturing enterprises, each capable of generating enough goods in their sector for the entire Soviet Union. Independence left the Baltics with these oversized monoliths on their hands, among other problems.

"What has followed has been real nation-building: the putting together of all of the individual pieces of a country in all areas of economic, administrative and political life," says Professor Meier-Preschany. "All of the Baltics deserve respect for having accomplished it." ●

HEINRI SALIKOMAA/SIPA PRESS

*Lithuania calling: signs of the times in Vilnius's Old Town.*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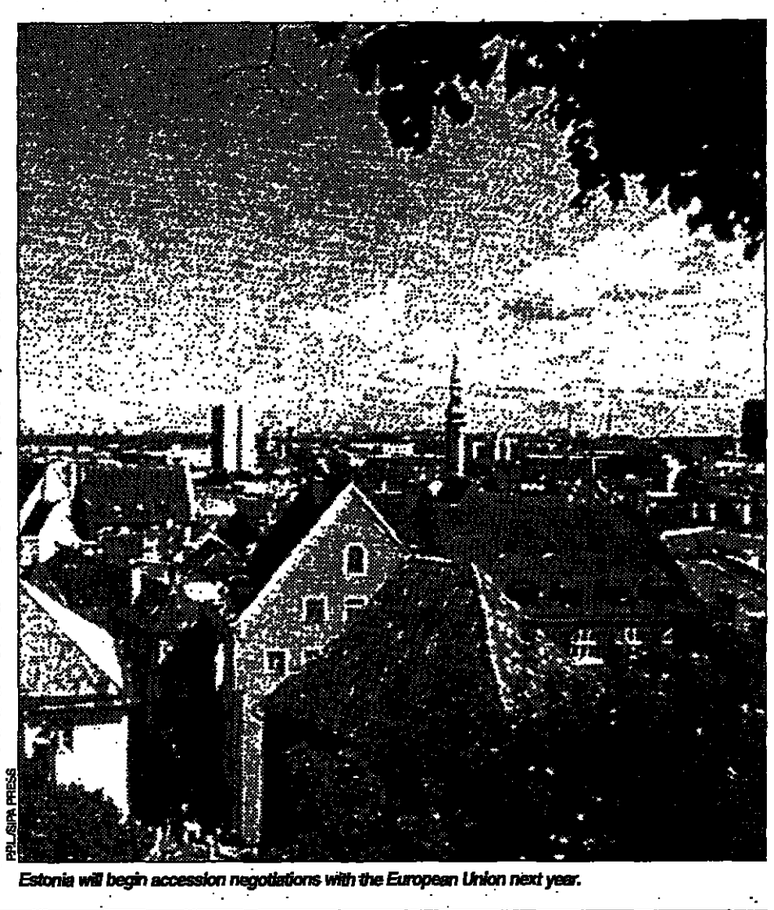
*Latvia's financial center in Riga earned it the nickname "the Switzerland of the Baltic."*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*Estonia will begin accession negotiations with the European Union next year.*

## HIGH-TECH PIGGYBACKERS: INVESTING IN SMARTS PAYS HANDSOMELY

IF YOU CAN'T BEAT THEM, join them — and then make their products better. That seems to be the attitude of Central and Eastern Europe's information and communication technology companies, many of which are thriving by taking standard Western software and hardware and providing them with new applications and interlinkages.

Examples of companies carrying out this "piggybacking," as it is known in the ICT trade, are Bratislava's Login, which has developed new application tools for Lotus Notes; Brno's Perdmance, whose products use Platinum Technology's range of products as platforms; and Budapest's Performance, which develops mainframe-based programs.

"There's no mystery why the Central and Eastern Europeans are so good at piggybacking," says Steven Garcia, the Vienna-based expert on the CEE region's ICT sector. "The elder generation of computer experts spent much of their professional lives compensating for a lack of adequate equipment by taking apart Western hardware, so as to duplicate it for their own use, or by devising ingenious programs. These experts therefore have an intimate knowledge of Western hardware and a great working knowledge as to how to get more performance out of it."

Says Stephen Garside, an international computer executive who has covered Central and Eastern Europe during the 1990s: "For the younger generation in the CEE region, software is the ideal field of entry into business. It requires little capital and a great deal of smarts, and that's something a large number of the programmers in the region have. By associating themselves with existing products, the piggybackers get instant credibility and market impact."

The growing number of piggybackers manifests itself in the ICT sector's growth in the CEE region, generally forecast to reach between 15 percent and 20 percent in 1997, and in the companies' ever-increasing presence at such major Western trade fairs as Hannover's CeBIT, the largest of its kind in the world.

There, the Russians alone were represented by 38 companies, by far a new record for the country at the event, with Ukraine, Hungary, Poland and the Czech Republic also represented by sizable contingents.

## GROWTH PLAYS CATCH-UP AND LEAPFROG

*The forecast is for Central and Eastern Europe to record another year of strong growth in 1998.*

The United Nations' Economic Commission for Europe predicts that Central and Eastern Europe will improve upon 1997's GDP rise of 3.2 percent by 1.4 percentage points in 1998. Lithuania, Latvia and Estonia are expected to do even better, with GDP rising from 1997's 5.3 percent to 5.9 percent in 1998.

These rises will be impelled by the countries' industrial sectors. The EU is predicting that all of them will register increases in output in 1998, with the notable exceptions of Bulgaria and Romania. The latter are expected to maintain 1997's levels. The average rise in industrial output will be above 4 percent (5 percent in 1997). Poland is expected to lead with a 12 percent increase over 1997's rise of 11 percent.

These rises will not make a dent in unemployment in the CEE, which is predicted to stay at 9.7 percent. The rate of inflation is forecast to fall from 1997's average of 50.7 percent to 16 percent. This forecast comes with a big "if." Five of the CEE countries are currently running trade deficits larger than 6 percent of GDP — the mark at which the world's alarm bells generally start ringing. The standard method of combating these rises is by increasing the prime interest rate. This makes consumer credit more expensive, curtailing private demand and cooling off the economy.

Help in alleviating the trade imbalance could be forthcoming from Western Europe. Most of the forecasts see CEE exports increasing by around 10 percent in 1997. These forecasts are based on a 2.5 percent rate of GDP growth in the EU. That could be too conservative, according to the latest figures.

**A region of shopkeepers**

Development has been uneven in the region, with some sectors, such as transport infrastructure, still sadly lacking in comparison with the West. But there's no doubt about which sector is furthest along: retailing, and this despite strong competition from the telecommunications sector, which has staged a dramatic improvement in nearly all CEE countries. According to a recent EU study, the number of retailing outlets — 2 million — is actually higher in the CEE region than in Western Europe because of the prevalence of "Mom and Pop" stores. Their number is, unfortunately, bound to sink under the onslaught from hypermarkets, which are becoming a fixture in the CEE's urban peripheries. These hypermarkets already hold a tenth of the Polish, Hungarian and other Central European markets. Thanks to them, the CEE's residents now dispose of as much per capita shopping area as their counterparts in the West.

According to a study published in Handelsblatt, the German business daily, the hypermarkets' share will ultimately rise to the two-thirds level prevailing in the West. While disastrous for their smaller competitors, the hypermarkets' ascendance could represent an opportunity for the local consumer product and agribusiness sectors. The key determinant will be what share local suppliers gain on the hypermarkets' shelves.

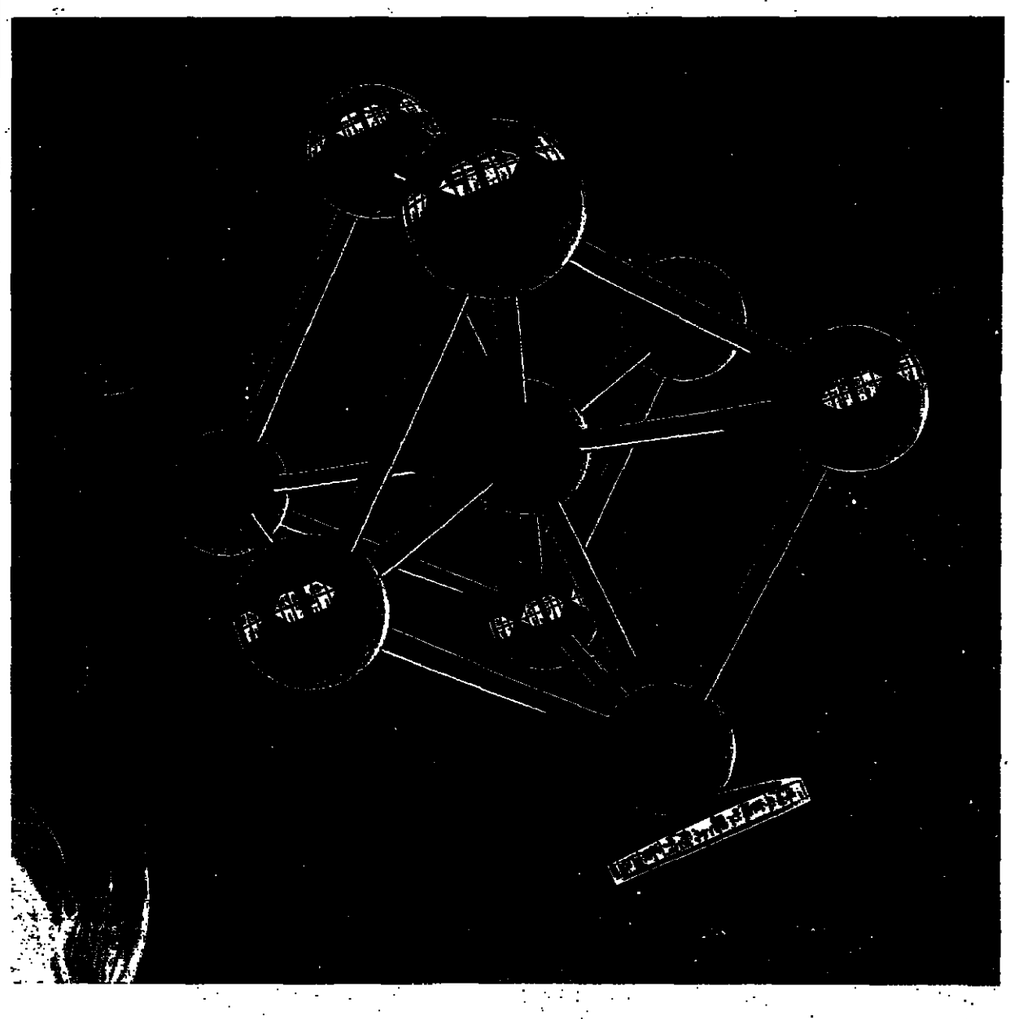
Meanwhile, the region will be looking at a new expense: 45 billion ECUs over the next 20 years. That's the European Commission's forecast of what it will cost prospective members the Czech Republic, Estonia, Hungary, Poland and Slovenia to bring their environment up to the levels prescribed by the Union's directives.

While the countries are not in a financial position to spend even half that much, they have been rapidly increasing their outlays for environmental protection, which has now become a billion-dollar business sector.

The Czech Republic's expenditures for environmental protection rose 50 percent during 1993-96, amounting to just under $1 billion (or 3 percent of GDP) for 1996.

Hungary did even better, more than tripling its expenditures during the period, to around $350 million, or 3.9 percent of its GDP.

"EMERGING MARKETS IN CENTRAL AND EASTERN EUROPE"
*was produced in its entirety by the Advertising Department of the International Herald Tribune.*
WRITER: *Terry Swartzberg is a business writer based in Munich.*
PROGRAM DIRECTOR: *Bill Mahder*



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# 2 Divisive Issues on Agenda for EU Summit

By Barry James
*International Herald Tribune*

BRUSSELS — The European single currency may be firmly on track, but the ambitious project is still bedeviled by details as European Union leaders prepare to meet in Luxembourg on Friday and Saturday.

They will have to decide the relationship between the majority of EU countries that are expected to adopt the single currency, the euro, in a little more than a year and those that remain outside the system.

And they will launch the EU on a new stage in its history by moving to incorporate former Communist nations in Eastern and Central Europe.

Both issues threaten to be divisive. Britain is making little or no headway in its attempt to play a role in the informal council that countries adopting the single currency plan to set up to coordinate policies in the euro zone.

Prime Minister Jean-Claude Juncker of Luxembourg engaged in a frenetic round of diplomacy to smooth the way for the summit meeting, but he admitted that there was nothing to stop the euro countries from meeting informally and said it was up to the outsiders to compromise.

Britain says excluding it from the euro council — along with Sweden, Denmark and Greece — will cause the EU to become divided.

But other countries, led by France, insist that there is no place on the body for countries that are not adopting the euro. France has offered to keep the outsiders informed about deliberations in the body, but this may not be enough for the British, for whom the issue has become a question of national prestige.

Countries joining the euro will be selected in the spring on the basis of their economic performance this year, and 11 are expected to meet the criteria. Britain government says it will wait and see how the currency works before subjecting the issue to a referendum.

Jacques Santer, president of the European Commission, said he saw little chance of a solution in Luxembourg to another issue confronting the EU: the choice of a president for the proposed European central bank, which is to succeed national banks after the euro's scheduled introduction Jan. 1, 1999.

France has proposed the president of its national bank, Jean-Claude Trichet, for the post, while the Netherlands says the job should go to Wim Duisenberg, president of the European Monetary Institute, the forerunner of the central bank.

The summit meeting is expected to conclude with a formal invitation to 10 countries in Eastern and Central Europe plus Cyprus to join the EU.

# Banks' Stocks Swing on Talk Of Mergers

*Compiled by Our Staff From Dispatches*

ZURICH — The planned merger of Union Bank of Switzerland and Swiss Bank Corp. announced this week has triggered a variety of rumors about other possible combinations among European banking companies, buffeting many banks' stock prices.

In Paris, Cie. Financiere de Paribas shares fell 31 francs Thursday, closing at 506 ($84.39), after the bank denied holding merger talks with another bank. Paribas shares had gained 21 percent in the previous three days on speculation of a deal.

Banque Nationale de Paris, which some investors had speculated could link up with Paribas, fell 25.20 francs to 324.80. The stock had gained 16 percent in three days.

Societe Generale, also mentioned as a Paribas buyer, fell 6 to 850. Credit Commercial de France dropped 21.10 to 408.50, and Compagnie Bancaire lost 60 to 992.

Credit Suisse Group — the other big Swiss bank left after the UBS-Swiss Bank combination — would not comment Thursday on rumors linking it to Swiss Reinsurance Co.

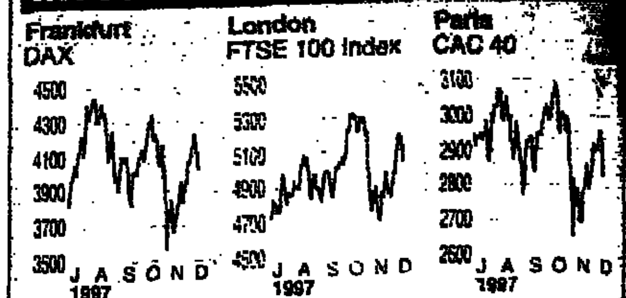
Shares in both companies rose sharply on the merger rumors, with Credit Suisse closing up 12.50 Swiss francs at 238 ($164.61) and Swiss Re rising 198 to 2,678.

In Frankfurt, shares in Dresdner Bank AG fell on reports it was negotiating a combination with Donaldson, Lufkin & Jenrette Inc.

Dresdner Bank and the American brokerage's parent, the French insurer AXA-UAP SA, declined to comment on reports that Hansgeorg Hofmann, Dresdner's global head of investment banking, met with Chairman John Chalsty of Donaldson Lufkin last week in New York.

Dresdner shares fell 0.60 Deutsche marks to 78.90 ($44.24). *(Reuters, Bloomberg, AFX)*

## Investor's Europe




| Exchange | Index | Thursday Close | Prev. Close | % Change |
|---|---|---|---|---|
| Amsterdam | AEX | 882.90 | 910.30 | -3.01 |
| Brussels | BEL-20 | 2,433.30 | 2,471.37 | -1.54 |
| Frankfurt | DAX | 4,030.16 | 4,117.27 | -2.12 |
| Copenhagen | Stock Market | 651.77 | 657.18 | -0.82 |
| Helsinki | HEX General | 3,214.71 | 3,344.34 | -3.88 |
| Oslo | OBX | 677.85 | 688.38 | -1.53 |
| London | FTSE 100 | 5,035.90 | 5,130.70 | -1.85 |
| Madrid | Stock Exchange | 611.16 | 623.43 | -1.97 |
| Milan | MIBTEL | 15511 | 15674 | -1.04 |
| Paris | CAC 40 | 2,828.45 | 2,932.18 | -3.54 |
| Stockholm | SX 16 | 3,164.03 | 3,252.88 | -2.73 |
| Vienna | ATX | 1,271.64 | 1,305.84 | -2.62 |
| Zurich | SPI | 3,752.31 | 3,776.83 | -0.65 |

Source: Telekurs — International Herald Tribune

## Parliament Urges France to Restore Car Incentives

*Reuters*

PARIS — The government should restore incentives to encourage people to replace old cars to help the French auto industry while reducing pollution, a parliamentary commission said Thursday.

The commission proposed incentives to spur demand for vehicles that run on cleaner fuels.

It also urged an end to the preferential tax treatment given to diesel fuel in France.

The panel, commissioned to study the French and European car industries, proposed that the government, French carmakers and unions work together to help the industry deal with competition and market conditions.

# A Lesson Learned, Mercedes Revs Up A-Class Promotion

By Edmund L. Andrews
*New York Times Service*

FRANKFURT — Mercedes-Benz AG's new A-Class subcompact car has passed the "moose test" after being driven by the same testers who originally flipped it over and created an uproar over possible safety problems.

In an advertising blitz Wednesday aimed at restoring confidence in its bubble-shaped four-seater, Mercedes also invited other journalists who had either tipped or flipped the car to retake the test as well.

"The fact is, we made a mistake," Mercedes said in the one-day advertising campaign. "But we've fixed it, and we've learned our lesson."

The bluntly worded message was a bold attempt to bounce back from what might have turned into a marketing catastrophe.

Mercedes, the automobile subsidiary of Daimler-Benz AG, had been swamped by jokes about imaginary elk and moose as magazines and newspapers rushed to recreate and photograph their own A-Class crackups in the high-speed steering maneuver, which is designed to simulate an effort to dodge a moose that suddenly appears in the middle of the road.

The failed moose test in October was more than just an embarrassment to Mercedes because it raised serious questions about the safety of a car that has a noticeably higher center of gravity than most other cars.

The new ads report that the redesigned car repeatedly passed the same test when driven by the same drivers who had previously either tipped it or flipped it over.

The tests were carried out Monday in Barcelona.

It remains unclear whether Mercedes can restore customer confidence in its new car.

But automobile specialists had argued that the company had to address consumer concerns about safety swiftly and directly, and the new effort was about as direct as Mercedes could make it.

## Racal to Divest As Profit Drops In First Half

*Bloomberg News*

LONDON — Racal Electronics PLC, battered by falling profit, said Thursday that it would offer shares in its British telecommunications subsidiary and sell its unprofitable data products unit, in a breakup that analysts say could raise about $1 billion.

The date of the offering was not disclosed.

The disposals would leave Racal's remaining defense business vulnerable to takeover as consolidation of Europe's weapons industry progresses, analysts said.

Racal also said its earnings plunged 59 percent in the first half, to £5.6 million ($9.2 million), because of losses in the data unit, a U.S. company bought in 1977.

## Very briefly:

- The European Commission is taking France and Portugal to court over investment laws in the two countries that allegedly discriminate against foreigners.
- Citibank plans to buy the global trust and agency services units of J. P. Morgan & Co. in London and Brussels for an undisclosed price.
- Pfizer Inc. plans to invest £109 million ($180 million) at its research site in southern England. The U.S. drug company also pledged to create up to 1,000 new jobs.
- Ecia SA, a subsidiary of PSA Peugeot Citroen, offered to buy all of Bertrand Faure SA in a bid that values the car-seat maker at 8.4 billion French francs ($1.4 billion).
- Toyota Motor Corp., which plans to build a factory in Valenciennes, France, is considering asking Japanese auto-parts suppliers to establish operations in France if it cannot find satisfactory local suppliers for the assembly plant.
- Publicis SA, acting under a U.S. court order, withdrew its offer for 38 percent of True North Communications Inc. The French advertising company was seeking a stake in True North in a bid to scuttle the Chicago-based company's planned merger with Bozell of New York. *AFX, AP, Bloomberg, Reuters*

# WORLD STOCK MARKETS

**Thursday, Dec. 11**
Prices in local currencies.
*Telekurs*

### Amsterdam
AEX index: 882.90 — Previous: 910.30

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABN-AMRO | 40.70 | 39.30 | 39.50 | 41.20 |
| Aegon | 174.90 | 173.50 | 174 | 176.20 |
| Ahold | 51.80 | 50.70 | 51.40 | 52.20 |
| Akzo Nobel | 345.60 | 340.50 | 343 | 349 |
| Baan Co. | N.T. | N.T. | N.T. | 146.40 |
| Bols Wess cva | 30.30 | 29.60 | 30.30 | 30 |
| CSM cva | 83.50 | 82.10 | 84 | 83 |
| Dordtsche Pet | 105.20 | 103.90 | 105 | 106.50 |
| DSM | 182 | 178.30 | 180.50 | 179.80 |
| Elsevier | 33 | 32.30 | 32.40 | 33.20 |
| Fortis Amev | 84.90 | 83.40 | 84.10 | 85.90 |
| Getronics | 63.20 | 62.10 | 63.10 | 63.50 |
| G-Broc cva | 52.40 | 50.30 | 50.40 | 52.90 |
| Hagemeyer | 85.50 | 83 | 84.80 | 88.30 |
| Heineken | 339.50 | 334.50 | 337.50 | 341 |
| Hoogovens cva | 90.70 | 87.20 | 88.50 | 91.40 |
| Hunt Douglas | 76.50 | 75.50 | 76.50 | 77.20 |
| ING Group | 86.20 | 84.20 | 84.40 | 87.20 |
| KLM | 73.60 | 70.70 | 71 | 74.90 |
| KNP BT | 43.50 | 42 | 43.50 | 42.60 |
| KPN | 80 | 78.20 | 79.30 | 80.70 |
| Nedlloyd Gp | 43.70 | 41 | 41.30 | 43.90 |
| Nutricia | 60 | 58 | 59 | 60.80 |
| Oce Grinten | 216.60 | 208.10 | 211.60 | 219 |
| Philips Elec | 128.90 | 119.10 | 119.70 | 131.80 |
| Polygram | 100.40 | 97 | 97.50 | 100.20 |
| Randstad Hdg | 73.50 | 72.30 | 73.20 | 74 |
| Robeco | 190.70 | 188.50 | 188.50 | 192 |
| Rodamco | 57 | 56.60 | 57 | 57.10 |
| Rolinco | 177.60 | 176 | 176 | 180 |
| Rorento | 120.40 | 119.90 | 120 | 120 |
| Royal Dutch | 107.70 | 105.80 | 106.50 | 108.40 |
| Unilever cva | 120 | 116.80 | 117.50 | 120.80 |
| Vendex Intl | 111.50 | 107.70 | 108.20 | 112.10 |
| VNU | 50 | 48.60 | 49.30 | 50.70 |
| Wolters Kl cva | 260.10 | 256.50 | 258.70 | 263.90 |

### Bangkok
SET index: 371.51 — Previous: 390.67

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Adv Info Svc | 210 | 198 | 206 | 222 |
| Bangkok Bk F | 132 | 113 | 114 | 126 |
| Krung Thai Bk | 11.25 | 10.50 | 10.75 | 11.50 |
| PTT Explor | 380 | 372 | 372 | 400 |
| Siam Cement F | 368 | 346 | 358 | 390 |
| Siam Com Bk F | 60 | 53 | 55 | 68.50 |
| Telecomasia | 10.25 | 9.30 | 9.50 | 10.75 |
| Thai Airways | 46.75 | 45 | 46.25 | 46.75 |
| Thai Farm Bk F | 110 | 102 | 102 | 115 |
| Utd Comm | 21.25 | 18.50 | 19.75 | 24.75 |

### Bombay
Sensex 30 index: 3329.14 — Previous: 3347.33

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bajaj Auto | 575 | 543 | 563 | 557.25 |
| Hindust Lever | 1269 | 1205 | 1235 | 1277.50 |
| Hindust Petm | 451.75 | 432.25 | 435.25 | 453.50 |
| Ind Dev Bk | 82 | 80.50 | 81 | 81.25 |
| ITC | 573 | 525.50 | 561.75 | 547.75 |
| Mahanagar Tel | 230.75 | 220.25 | 226.75 | 225.25 |
| Reliance Ind | 155.75 | 149.75 | 155.25 | 154.25 |
| State Bk India | 210 | 202.50 | 208.75 | 207.75 |
| Steel Authority | 10.25 | 9.50 | 10 | 9.75 |
| Tata Eng Loco | 264.25 | 253 | 263.75 | 257 |

### Brussels
BEL-20 index: 2433.30 — Previous: 2471.37

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Almanij | 1825 | 1785 | 1790 | 1795 |
| Barco Ind | 6750 | 6590 | 6590 | 6840 |
| BBL | 9980 | 9850 | 9850 | 10100 |
| CBR | 3380 | 3340 | 3360 | 3380 |
| Colruyt | 18850 | 18400 | 18850 | 19025 |
| Delhaize Lion | 1905 | 1890 | 1895 | 1925 |
| Electrabel | 8280 | 8180 | 8230 | 8280 |
| Electrafina | 3400 | 3320 | 3390 | 3420 |
| Fortis AG | 7430 | 7330 | 7350 | 7470 |
| Gevaert | 1750 | 1705 | 1725 | 1740 |
| GBL | 5440 | 5360 | 5400 | 5540 |
| Gen Banque | 15500 | 15325 | 15475 | 15525 |
| Kredietbank | 15350 | 15200 | 15225 | 15350 |
| Petrofina | 13925 | 13750 | 13900 | 14075 |
| Powerfin | 5130 | 5110 | 5130 | 5140 |
| Royale Belge | 9830 | 9760 | 9880 | 9930 |
| Soc Gen Belg | 3445 | 3320 | 3320 | 3485 |
| Solvay | 2325 | 2220 | 2230 | 2345 |
| Tractebel | 3120 | 3100 | 3110 | 3115 |
| UCB | 123800 | 122350 | 123800 | 124350 |

### Copenhagen
Stock index: 651.77 — Previous: 657.18

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| BG Bank | 495 | 445 | 455 | 467 |
| Carlsberg B | 377 | 363 | 370 | 376 |
| Codan Fors | 967.41 | 964.04 | 964.04 | 965 |
| Danisco | 368 | 358 | 362 | 368 |
| Den Danske Bk | 855 | 829 | 836 | 833.48 |
| D/S Svendbrg B | N.T. | N.T. | N.T. | 429756 |
| D/S 1912 B | 305000 | 298000 | 298000 | 305000 |
| FLS Ind B | 177.67 | 168 | 170.21 | 173 |
| Kob Lufthavne | 790 | 779 | 790 | 790 |
| Nvo Nordisk B | 910 | 884.12 | 890 | 897.86 |
| Sophus Ber B | 1090 | 1039 | 1050 | 1065 |
| Tele Danmk B | 439 | 429 | 436 | 440 |
| Tryg Baltica | 432 | 427 | 430 | 430 |
| Unidanmark A | 508 | 490 | 495 | 505 |

### Frankfurt
DAX: 4030.16 — Previous: 4117.27

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AMB B | 172.50 | 169.70 | 172.50 | 170.50 |
| Adidas | 266 | 265 | 265 | 272 |
| Allianz | 422 | 416 | 417.50 | 426 |
| Altana | 124.70 | 123.40 | 124 | 123.90 |
| Axa Colonia | 172.50 | 166 | 172.50 | 170.20 |
| Bk Berlin | 36.95 | 36.40 | 36.95 | 36.60 |
| BASF | 61.95 | 61.35 | 61.50 | 62.85 |
| Bayer Hypo Bk | 82 | 80.80 | 81 | 82.35 |
| Bay.Vereinsbank | 112.50 | 111 | 111.70 | 113.50 |
| Bayer | 63.28 | 62.55 | 62.70 | 64.15 |
| Beiersdorf | 76.50 | 75.90 | 75.90 | 77 |
| Bewag | 46.50 | 46.30 | 46.60 | 46.50 |
| BMW | 1348 | 1315 | 1315 | 1375 |
| Commerzbank | 67.90 | 66.40 | 66.90 | 68.20 |
| Daimler Benz | 123.30 | 122.30 | 122.60 | 126.80 |
| Degussa | 87 | 85.10 | 87 | 88.20 |
| Deutsche Bank | 120.95 | 119.75 | 120.05 | 124.65 |
| Deut Telekom | 33.90 | 33.55 | 33.75 | 33.90 |
| Dresdner Bank | 79.30 | 78.50 | 78.90 | 79.50 |
| Fresenius | 287 | 285 | 287 | 281 |
| Fresenius Med | 121 | 118.20 | 119.50 | 114 |
| Fried Krupp | 344 | 339 | 340.50 | 346 |
| Gehe | 100.10 | 99.50 | 100 | 101.60 |
| Heidelbg Zmt | 136.50 | 133.50 | 134 | 136.50 |
| Henkel pfd | 110.40 | 108 | 108.10 | 111.40 |
| HEW | 465 | 465 | 465 | 465 |
| Hochtief | 74.50 | 73.60 | 73.80 | 75 |
| Hoechst | 62.55 | 61.55 | 61.75 | 62.95 |
| Karstadt | 648 | 636 | 637 | 655 |
| Lahmeyer | 74.50 | 74 | 74.50 | 75.90 |
| Linde | 1085 | 1068 | 1069 | 1119 |
| Lufthansa R | 33.90 | 33.55 | 33.70 | 34.40 |
| MAN | 548 | 537 | 540 | 549 |
| Mannesmann | 856 | 841 | 844 | 859 |
| Metallgesellschaft | 33.10 | 31.80 | 31.80 | 33.75 |
| Metro | 80.90 | 79.60 | 80.90 | 81.70 |
| Munch Rueck R | 616.50 | 610 | 610.20 | 614 |
| Preussag | 508 | 500 | 508 | 514 |
| RWE | 92.40 | 89.90 | 92.40 | 91.50 |
| SAP | 523 | 509 | 509.50 | 528.50 |
| Schering | 177 | 173.40 | 176.10 | 177.50 |
| SGL Carbon | 230 | 227.50 | 227.50 | 232.50 |
| Siemens | 105.45 | 103.10 | 103.40 | 106 |
| Springer (Axel) | 1355 | 1339 | 1355 | 1339 |
| Suedzucker | 913 | 913 | 913 | 913 |
| Thyssen | 407 | 401 | 401.80 | 409.50 |
| Veba | 111.40 | 110.70 | 111.40 | 113.40 |
| VEW | 560 | 540 | 560 | 555 |
| Viag | 913 | 893 | 905 | 924 |
| Volkswagen | 976 | 964 | 967.50 | 996 |

### Helsinki
HEX General index: 3214.71 — Previous: 3344.34

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Enso A | 44 | 43 | 44 | 45 |
| Huhtamaki I | 222 | 220 | 220 | 225 |
| Kemira | 51.50 | 50 | 51.30 | 51.50 |
| Kesko | 81.90 | 80 | 81 | 81 |
| Merita A | 27.80 | 27.30 | 27.50 | 28 |
| Metra B | 125 | 121.50 | 122 | 126 |
| Metso-Serla B | 46.90 | 44.50 | 44.50 | 47.10 |
| Neste | 126 | 120 | 120 | 121 |
| Nokia A | 394 | 365 | 372 | 403 |
| Orion-Yhtymae | 148 | 142 | 142 | 149 |
| Outokumpu | 69 | 65.50 | 66 | 70.50 |
| UPM-Kymmene | 106 | 101.20 | 102 | 107 |
| Valmet | 76.10 | 74.70 | 74.70 | 77 |

### Hong Kong
Hang Seng: 10428.22 — Previous: 11022.41

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amoy Props | 6.75 | 6.45 | 6.55 | 6.85 |
| Bk East Asia | 18.40 | 17.45 | 17.85 | 18.65 |
| Cathay Pacific | 6.80 | 6.50 | 6.55 | 7 |
| Cheung Kong | 51.50 | 49.50 | 50.75 | 53.25 |
| CK Infrastruct | 20.25 | 18.40 | 19.50 | 21.05 |
| China Light | 39 | 37.60 | 38.70 | 40.10 |
| Citic Pacific | 31.30 | 30.30 | 30.70 | 31.70 |
| Dao Heng Bk | 21.10 | 19.80 | 20.80 | 21.20 |
| First Pacific | 5 | 4.43 | 4.60 | 5 |
| Hang Lung Dev | 11.30 | 10.10 | 10.65 | 11.45 |
| Hang Seng Bk | 71 | 68.50 | 70.50 | 73.25 |
| Henderson Inv | 6.30 | 5.95 | 6.10 | 6.60 |
| Henderson Ld | 38 | 36.40 | 37.10 | 38.80 |
| HK China Gas | 13.90 | 13.30 | 13.55 | 14 |
| HK Electric | 27.15 | 25.95 | 26.15 | 28.25 |
| HK Telecomm | 15.70 | 14.70 | 14.85 | 15.95 |
| Hopewell Hdgs | 2.03 | 1.98 | 1.99 | 2.08 |
| HSBC Hdgs | 196 | 183 | 187 | 198.50 |
| Hutchison Wh | 50 | 47.80 | 48.20 | 50.50 |
| Hysan Dev | 15.90 | 15.15 | 15.30 | 16.35 |
| Johnson El Hdg | 23.40 | 23.15 | 23.15 | 24 |
| Kerry Props | 14 | 13.50 | 14 | 14.20 |
| New World Dev | 28.80 | 26.20 | 27.50 | 30 |
| Oriental Press | 2.33 | 2.28 | 2.30 | 2.33 |
| Pearl Oriental | 0.39 | 0.37 | 0.39 | 0.40 |
| SHK Props | 58 | 55.25 | 56.25 | 59.25 |
| Shun Tak Hdgs | 2.60 | 2.45 | 2.50 | 2.70 |
| Sino Land Co. | 4.93 | 4.48 | 4.68 | 5 |
| Sth China Post | 5.70 | 5.35 | 5.50 | 6 |
| Swire Pac A | 42.20 | 40 | 42 | 43 |
| Wharf Hdgs | 16 | 15.35 | 15.60 | 16.40 |
| Wheelock | 9.05 | 8.45 | 8.80 | 9.35 |

### Jakarta
Composite index: 396.11 — Previous: 415.94

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Astra Intl | 2125 | 2000 | 2050 | 2150 |
| Bk Intl Indon | 450 | 400 | 425 | 475 |
| Bk Negara | 550 | 525 | 550 | 550 |
| Gudang Garm | 8250 | 7600 | 7600 | 8375 |
| Indocement | 1425 | 1375 | 1400 | 1450 |
| Indofood | 2650 | 2550 | 2600 | 2750 |
| Indosat | 9125 | 8925 | 9025 | 9150 |
| Sampoerna HM | 4800 | 4550 | 4600 | 4900 |
| Semen Gresik | 2950 | 2750 | 2775 | 3050 |
| Telekomunikasi | 3000 | 2775 | 2775 | 3050 |

### Johannesburg
All Market: 5953.83 — Previous: 6097.29

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABSA Group | 28.05 | 27.40 | 27.50 | 28.20 |
| AngloAm Coal | 220.20 | 218 | 216 | 224 |
| AngloAm Corp | 196.80 | 191 | 191 | 197 |
| AngloAm Gold | 170 | 161 | 169 | 169 |
| AngloAm Ind | 107.20 | 106.20 | 106.60 | 110.80 |
| AngloAM Plat | 74 | 73 | 73.30 | 74 |
| AVMIN | 5.60 | 5.45 | 5.45 | 5.70 |
| Barlow | 42.50 | 41.90 | 42.05 | 42.60 |
| C.G. Smith | 19.25 | 17.90 | 18.90 | 19.50 |
| De Beers | 98 | 94 | 94.10 | 98.80 |
| Driefontein | 32.35 | 31.35 | 32.35 | 31.55 |
| Fst Natl Bk | 39.05 | 38.30 | 38.80 | 40.05 |
| Gencor | 7.75 | 7.50 | 7.35 | 7.75 |
| GFSA | 66.50 | 62.50 | 63.50 | 67.50 |
| Imperial Hdgs | 53.60 | 52.10 | 52.20 | 55 |
| Ingwe Coal | 17.30 | 16.20 | 16.30 | 17.30 |
| Iscor | 1.90 | 1.77 | 1.78 | 1.93 |
| Johnnies Indl | 45.50 | 43.50 | 43.50 | 48 |
| Liberty Hdgs | 324 | 319 | 320 | 327 |
| Liberty Life | 119 | 116 | 118 | 120.40 |
| LibLife Strat | 14.50 | 13.90 | 14.05 | 15 |
| Minorco | 85.10 | 81.50 | 82.80 | 85.10 |
| Nampak | 14.70 | 14.25 | 14.35 | 14.70 |
| Nedcor | 107 | 106.20 | 106.60 | 106.20 |
| Rembrandt Gp | 36.60 | 35.90 | 36.15 | 37 |
| Richemont | 52.50 | 51.10 | 51.60 | 52.50 |
| SA Breweries | 115 | 107.20 | 111 | 115.80 |
| Samancor | 24.20 | 24 | 24 | 24.20 |
| Sasol | 49.20 | 47.50 | 47.60 | 49.80 |
| SBIC | 207 | 201 | 206 | 207 |
| Tiger Oats | 66.10 | 65.60 | 66 | 67 |

### Kuala Lumpur
Composite: 589.18 — Previous: 636.36

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AMMB Hdgs | 3.06 | 2.88 | 2.88 | 3.06 |
| Genting | 9.85 | 9 | 9 | 10 |
| Mal Banking | 11 | 9.90 | 9.95 | 11.20 |
| Mal Intl Ship F | 5.20 | 4.66 | 4.74 | 5.50 |
| Petronas Gas | 9.35 | 8.90 | 8.95 | 9.25 |
| Proton | 4.98 | 4.50 | 4.52 | 5.20 |
| Public Bk | 2.08 | 2 | 2 | 2.08 |
| Renong | Susp. | Susp. | Susp. | 1.80 |
| Resorts World | 6.50 | 6 | 6.05 | 6.50 |
| Rothmans PM | 31.75 | 30 | 31 | 31.75 |
| Sime Darby | 3.94 | 3.68 | 3.68 | 3.94 |
| Telekom Mal | 11.10 | 9.85 | 9.85 | 11.10 |
| Tenaga | 8.20 | 7.48 | 7.40 | 8.30 |
| Utd Engineers | Susp. | Susp. | Susp. | 3.24 |
| YTL | 5 | 4.38 | 4.40 | 5.15 |

### London
FT-SE 100: 5035.90 — Previous: 5130.70

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abbey Natl | 10.47 | 9.82 | 10.34 | 10.13 |
| Allied Domecq | 5.36 | 5.22 | 5.25 | 5.32 |
| Anglian Water | 8.38 | 8.27 | 8.34 | 8.37 |
| Argos | 6.03 | 5.75 | 5.81 | 5.97 |
| Asda Group | 1.76 | 1.72 | 1.73 | 1.73 |
| Assoc Br Foods | 5.55 | 5.25 | 5.46 | 5.55 |
| BAA | 5.03 | 4.50 | 4.98 | 4.98 |
| Barclays | 16.70 | 16.17 | 16.52 | 16.29 |
| Bass | 9 | 8.80 | 8.93 | 9.11 |
| BAT Ind | 5.45 | 5.30 | 5.36 | 5.45 |
| Bank Scotland | 5.70 | 5.43 | 5.54 | 5.68 |
| Blue Circle | 3.29 | 3.05 | 3.23 | 3.25 |
| BOC Group | 9.89 | 9.45 | 9.60 | 9.89 |
| Boots | 8.73 | 8.42 | 8.62 | 8.76 |
| BPB Ind | 3.32 | 3.27 | 3.28 | 3.29 |
| Brit Aerosp | 17.42 | 16.10 | 17.26 | 17.42 |
| Brit Airways | 5.77 | 5.40 | 5.52 | 5.64 |
| BG | 2.86 | 2.82 | 2.83 | 2.86 |
| Brit Land | 6.68 | 6.45 | 6.53 | 6.65 |
| Brit Petm | 8.41 | 8.09 | 8.15 | 8.39 |
| BSkyB | 4.52 | 4.33 | 4.39 | 4.52 |
| Brit Steel | 1.40 | 1.30 | 1.34 | 1.39 |
| Brit Telecom | 4.75 | 4.71 | 4.72 | 4.75 |
| BTR | 1.84 | 1.75 | 1.83 | 1.81 |
| Burmah Castrol | 10.51 | 10.28 | 10.32 | 10.51 |
| Burton Gp | 1.39 | 1.37 | 1.37 | 1.40 |
| Cable Wireless | 5.79 | 5.17 | 5.30 | 5.39 |
| Cadbury Schw | 6.30 | 6.08 | 6.22 | 6.30 |
| Carlton Comm | 4.65 | 4.44 | 4.57 | 4.65 |
| Coml Union | 8.78 | 8.50 | 8.63 | 8.78 |
| Compass Gp | 7.47 | 7.27 | 7.42 | 7.29 |
| Courtaulds | 3.08 | 3.03 | 3.04 | 3.07 |
| Diageo | 6.19 | 6.05 | 6.17 | 6.19 |
| Electrocomponents | 4.69 | 4.58 | 4.65 | 4.63 |
| EMI Group | 4.87 | 4.60 | 4.70 | 4.70 |
| Energy Group | 6.42 | 6.20 | 6.39 | 6.39 |
| Enterprise Oil | 6.07 | 5.76 | 5.82 | 6.08 |
| Fam Colonial | 1.72 | 1.71 | 1.72 | 1.73 |
| Genl Accident | 10.73 | 10.10 | 10.54 | 10.45 |
| GEC | 4.12 | 3.97 | 4.03 | 4.07 |
| GKN | 12.64 | 11.50 | 12.40 | 12.63 |
| Glaxo Wellcome | 14.27 | 13.98 | 14.06 | 14.26 |
| Granada Gp | 8.59 | 8.45 | 8.48 | 8.58 |
| Grand Met | 5.92 | 5.75 | 5.85 | 5.87 |
| GRE | 3.19 | 3.05 | 3.10 | 3.19 |
| Greenalls Gp | 4.13 | 4.05 | 4.05 | 4.13 |
| Guinness | 5.93 | 5.58 | 5.89 | 5.85 |
| GUS | 7.42 | 7.25 | 7.36 | 7.34 |
| Hays | 7.98 | 7.75 | 7.85 | 7.84 |
| HSBC Hldgs | 15.46 | 14.06 | 14.54 | 15.60 |
| ICI | 9.38 | 9.10 | 9.20 | 9.28 |
| Impl Tobacco | 4 | 3.84 | 3.91 | 3.86 |
| Kingfisher | 8.30 | 8.12 | 8.30 | 8.29 |
| Ladbroke | 2.78 | 2.73 | 2.76 | 2.76 |
| Land Sec | 10.04 | 9.80 | 9.92 | 10.04 |
| Lasmo | 2.72 | 2.60 | 2.62 | 2.72 |
| Legal Genl Grp | 5.19 | 5.05 | 5.08 | 5.17 |
| Lloyds TSB Gp | 7.61 | 7.25 | 7.35 | 7.57 |
| LucasVarity | 1.95 | 1.83 | 1.91 | 1.91 |
| Marks Spencer | 6.24 | 6.07 | 6.13 | 6.20 |
| MEPC | 5.46 | 5.41 | 5.44 | 5.46 |
| Mercury Asset | 16.73 | 16.70 | 16.71 | 16.72 |
| National Grid | 2.94 | 2.86 | 2.89 | 2.94 |
| Natl Power | 5.92 | 5.76 | 5.84 | 5.92 |
| NatWest | 9.95 | 9.68 | 9.84 | 9.89 |
| Next | 6.95 | 6.63 | 6.75 | 6.95 |
| Norwich Union | 3.84 | 3.70 | 3.75 | 3.79 |
| Orange | 2.54 | 2.45 | 2.49 | 2.65 |
| P&O | 6.78 | 6.40 | 6.50 | 6.64 |
| Pearson | 8.48 | 7.60 | 8.20 | 8.35 |
| Pilkington | 1.23 | 1.18 | 1.20 | 1.21 |
| PowerGen | 7.88 | 7.75 | 7.79 | 7.85 |
| Premier Farnell | 4.25 | 4.10 | 4.10 | 4.20 |
| Prudential | 7.25 | 7.06 | 7.08 | 7.20 |
| Railtrack Gp | 9.97 | 9.36 | 9.41 | 10 |
| Rank Group | 3.49 | 3.40 | 3.43 | 3.48 |
| Reckitt Colm | 9.50 | 9.05 | 9.28 | 9.40 |
| Redland | 3.44 | 3.42 | 3.43 | 3.42 |
| Reed Intl | 6.16 | 5.98 | 6.04 | 6.14 |
| Rentokil Initial | 2.58 | 2.45 | 2.49 | 2.53 |
| Reuters Hldgs | 6.65 | 6.47 | 6.52 | 6.68 |
| Rexam | 2.85 | 2.75 | 2.79 | 2.85 |
| RTZ reg | 7.82 | 7.40 | 7.48 | 7.80 |
| RMC Group | 9.20 | 8.90 | 8.93 | 9.10 |
| Rolls Royce | 2.45 | 2.37 | 2.38 | 2.45 |
| Royal Bk Scot | 7.80 | 7.50 | 7.65 | 7.80 |
| Royal & Sun All | 6.12 | 5.97 | 6.06 | 6.09 |
| Safeway | 3.55 | 3.40 | 3.41 | 3.38 |
| Sainsbury | 5.11 | 5.02 | 5.05 | 5.11 |
| Schroders | 18.85 | 17.50 | 18.60 | 18.85 |
| Scot Newcastle | 7.39 | 7.11 | 7.19 | 7.39 |
| Scot Power | 5.18 | 5.03 | 5.08 | 5.13 |
| Securicor | 3.08 | 3.06 | 3.08 | 3.08 |
| Severn Trent | 10.10 | 9.92 | 10.02 | 9.96 |
| Shell Transp R | 4.41 | 4.13 | 4.29 | 4.41 |
| Siebe | 12.18 | 11 | 11.80 | 12.26 |
| Smith Nephew | 1.82 | 1.80 | 1.81 | 1.81 |
| SmithKline | 6.25 | 6.06 | 6.13 | 6.25 |
| Smiths Ind | 8.49 | 8 | 8.46 | 8.69 |
| Sthern Elec | 4.95 | 4.83 | 4.95 | 4.85 |
| Stagecoach | 7.87 | 7.82 | 7.86 | 7.84 |
| Stand Charter | 7.25 | 6.85 | 6.96 | 7.23 |
| Tate & Lyle | 4.90 | 4.87 | 4.90 | 4.89 |
| Tesco | 5.06 | 4.84 | 4.94 | 5.05 |
| Thames Water | 9.69 | 9.47 | 9.51 | 9.56 |
| 3i Group | 5.10 | 4.90 | 5.05 | 5.03 |
| TI Group | 5.14 | 4.96 | 4.99 | 5.14 |
| Tomkins | 2.94 | 2.80 | 2.89 | 2.98 |
| Unilever | 5 | 4.84 | 4.88 | 4.98 |
| Utd Assurance | 5.16 | 5.08 | 5.15 | 5.16 |
| Utd News | 7.44 | 7.02 | 7.12 | 7.50 |
| Utd Utilities | 7.65 | 7.55 | 7.61 | 7.56 |
| Vendome Lx uts | 4.68 | 4.65 | 4.65 | 4.67 |
| Vodafone | 4.22 | 4.08 | 4.15 | 4.13 |
| Whitbread | 8.68 | 8.22 | 8.50 | 8.64 |
| Williams Hdgs | 3.31 | 3 | 3.29 | 3.31 |
| Wolseley | 5.02 | 4.80 | 4.85 | 5.02 |
| WPP Group | 2.64 | 2.60 | 2.60 | 2.63 |
| Zeneca | 19.83 | 19.50 | 19.54 | 19.80 |

### Madrid
Bolsa index: 611.16 — Previous: 623.43

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Acerinox | 23200 | 22480 | 22560 | 23490 |
| ACESA | 2025 | 2000 | 2015 | 2020 |
| Aguas Barcelon | 6340 | 6150 | 6300 | 6290 |
| Argentaria | 9510 | 9370 | 9390 | 9730 |
| BBV | 4570 | 4470 | 4510 | 4665 |
| Banesto | 1425 | 1385 | 1425 | 1415 |
| Bankinter | 8410 | 8260 | 8270 | 8410 |
| Bco Central Hisp | 3175 | 3125 | 3140 | 3230 |
| Bco Popular | 10250 | 9800 | 10240 | 10170 |
| Bco Santander | 4600 | 4460 | 4535 | 4685 |
| CEPSA | 4595 | 4480 | 4565 | 4565 |
| Continente | 2780 | 2730 | 2770 | 2800 |
| Corp Mapfre | 7760 | 7630 | 7650 | 7900 |
| Endesa | 2830 | 2800 | 2820 | 2850 |
| FECSA | 1320 | 1300 | 1300 | 1325 |
| Gas Natural | 7480 | 7300 | 7480 | 7570 |
| Iberdrola | 1980 | 1950 | 1960 | 2000 |
| Pryca | 2255 | 2155 | 2180 | 2280 |
| Repsol | 6440 | 6360 | 6390 | 6480 |
| Sevillana Elec | 1400 | 1375 | 1375 | 1420 |
| Tabacalera | 11700 | 11500 | 11640 | 11670 |
| Telefonica | 4405 | 4345 | 4345 | 4490 |
| Union Fenosa | 1485 | 1456 | 1465 | 1490 |
| Valenc Cement | 2880 | 2850 | 2860 | 2905 |

### Manila
PSE index: 1875.63 — Previous: 1972.84

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Ayala | 15.75 | 14.75 | 14.75 | 16.25 |
| Ayala Land | 15.25 | 14.25 | 14.25 | 15.75 |
| Bk Philip Isl | 89.50 | 87 | 88 | 89.50 |
| C&P Homes | 2.75 | 2.46 | 2.48 | 2.60 |
| Manila Elec A | 82 | 80.50 | 81 | 81 |
| Metro Bank | 277.50 | 262.50 | 265 | 277.50 |
| Petron | 3.85 | 3.70 | 3.75 | 3.90 |
| PCIBank | 136 | 129 | 130 | 134 |
| Phil Long Dist | 860 | 820 | 825 | 870 |
| San Miguel B | 56 | 50 | 51 | 56.50 |
| SM Prime Hdg | 6.30 | 6.10 | 6.20 | 6.30 |

### Mexico
Bolsa index: 4931.21 — Previous: 5045.43

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alfa A | 59.00 | 56.50 | 58.00 | 59.80 |
| Banacci B | 20.00 | 19.34 | 19.90 | 20.50 |
| Cemex CPO | 35.00 | 33.70 | 34.40 | 35.85 |
| Cifra C | 16.90 | 16.60 | 16.82 | 17.00 |
| Emp Modema | 40.50 | 40.10 | 40.20 | 40.50 |
| Gpo Carso A1 | 56.20 | 55.00 | 56.20 | 56.60 |
| Gpo F Bcomer | 3.03 | 2.90 | 3.03 | 3.06 |
| Gpo Fin Inbursa | 31.00 | 30.70 | 30.70 | 31.70 |
| Kimb Clark Mex | 37.00 | 36.15 | 36.70 | 38.10 |
| Televisa CPO | 153.00 | 147.70 | 148.10 | 156.00 |
| TelMex L | 20.10 | 19.88 | 20.05 | 20.60 |

### Milan
MIB Telematico: 15511.00 — Previous: 15674.00

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Alleanza Assic | 16200 | 15940 | 16155 | 16410 |
| Bca Comm Ital | 5310 | 5105 | 5195 | 5300 |
| Bca Fideuram | 7750 | 7550 | 7745 | 7900 |
| Bca di Roma | 1515 | 1450 | 1515 | 1519 |
| Benetton | 27600 | 27100 | 27400 | 28200 |
| Credito Italiano | 5130 | 4950 | 5070 | 5120 |
| Edison | 10150 | 9900 | 10100 | 10215 |
| ENI | 9680 | 9455 | 9565 | 9750 |
| Fiat | 4960 | 4905 | 4940 | 5015 |
| Generali Assic | 40050 | 39500 | 40000 | 40300 |
| IMI | 19175 | 18900 | 19140 | 19429 |
| INA | 3030 | 3000 | 3025 | 3040 |
| Italgas | 6730 | 6655 | 6710 | 6780 |
| Mediaset | 8275 | 8170 | 8270 | 8270 |
| Mediobanca | 12740 | 12580 | 12735 | 12900 |
| Montedison | 1486 | 1459 | 1466 | 1506 |
| Olivetti | 1033 | 980 | 1019 | 993 |
| Parmalat | 2510 | 2445 | 2490 | 2535 |
| Pirelli | 4360 | 4270 | 4305 | 4415 |
| RAS | 15700 | 15400 | 15580 | 15950 |
| Rolo Banca | 24900 | 24100 | 24450 | 24999 |
| S Paolo Torino | 16970 | 16460 | 16870 | 17000 |
| Telecom Italia | 10610 | 10425 | 10580 | 10625 |
| TIM | 7120 | 7000 | 7020 | 7200 |

### Montreal
Industrials index: 3311.00 — Previous: 3349.81

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bce Mob Com | 36.95 | 36.55 | 36.55 | 36.95 |
| Cdn Tire A | 31¼ | 30½ | 30½ | 31.20 |
| Cdn Util A | 40⅞ | 40.15 | 40.45 | 40⅞ |
| CT Finl Svc | 54½ | 53½ | 53½ | 54 |
| Gaz Metro | 18¼ | 18.20 | 18.20 | 18¼ |
| Gt-West Lifeco | 36.90 | 36½ | 36.90 | 36¾ |
| Imasco | 52¼ | 50½ | 50¾ | 51.45 |
| Investors Grp | 42.95 | 42.95 | 42.95 | 42.90 |
| Loblaw Cos | 26 | 25.30 | 26 | 25.15 |
| Natl Bk Canada | 24.70 | 24.10 | 24.60 | 24½ |
| Power Corp | 48¼ | 46.85 | 47.75 | 48.20 |
| Power Finl | 47 | 46½ | 47 | 47 |
| Quebecor B | 27.80 | 27½ | 27½ | 27.70 |
| Rogers Comm B | 6.80 | 6.80 | 6.80 | 7.15 |
| Royal Bk Cda | 79.60 | 78.90 | 78.90 | 80.05 |

### Oslo
OBX index: 677.85 — Previous: 688.38

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Aker A | 130.50 | 127 | 129 | 132 |
| Bergesen Dy A | 189 | 182.50 | 189 | 188 |
| Christiania Bk | 28.60 | 27.70 | 28.60 | 28.50 |
| Den norske Bk | 33.40 | 32.70 | 33.30 | 33.50 |
| Elkem | 95.50 | 90 | 95.50 | 96 |
| Hafslund A | 44.50 | 44.50 | 44.50 | 44.50 |
| Kvaerner | 375 | 371 | 374 | 382 |
| Norsk Hydro | 382 | 377 | 382 | 383.50 |
| Norske Skog A | 219 | 215 | 219 | 218.50 |
| Nycomed Amer | 187 | 180 | 187 | 186 |
| Orkla A | 637 | 630 | 637 | 637 |
| Petm GeoSvc | 468 | 461 | 465.50 | 472.50 |
| Saga Petm A | 134 | 131 | 133 | 137 |
| Schibsted | 126 | 121.50 | 126 | 125 |
| Transocean Off | 356.50 | 356.50 | 356.50 | 362.30 |
| Storebrand | 50.50 | 50 | 50 | 50 |

### Paris
CAC-40: 2828.45 — Previous: 2932.18

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Accor | 1099 | 1071 | 1077 | 1122 |
| AGF | 327.90 | 326.10 | 326.10 | 328 |
| Air Liquide | 902 | 877 | 880 | 905 |
| Alcatel Alsth | 766 | 737 | 740 | 774 |
| Axa-UAP | 454.80 | 448.50 | 451.90 | 457.50 |
| Bancaire | 1031 | 990 | 992 | 1052 |
| BIC | 410 | 396.50 | 407 | 413.10 |
| BNP | 334.80 | 316.10 | 324.80 | 350 |
| Canal Plus | 1000 | 958 | 958 | 996 |
| Carrefour | 2985 | 2901 | 2901 | 3000 |
| Casino | 333 | 330.50 | 330.80 | 334 |
| CCF | 418.90 | 401 | 408.50 | 429.60 |
| Cetelem | 877 | 843 | 846 | 886 |
| Christian Dior | 614 | 594 | 600 | 619 |
| Credit Agricole | 1160 | 1131 | 1160 | 1130 |
| Danone | 1044 | 977 | 1024 | 990 |
| Dexia Fran | 669 | 649 | 650 | 681 |
| Elf-Aquitaine | 675 | 650 | 651 | 686 |
| Eridania BS | 924 | 890 | 902 | 974 |
| Eurodisney | 7.15 | 7.05 | 7.05 | 7.05 |
| Eurotunnel | 5.95 | 5.75 | 5.80 | 6.05 |
| France Telecom | 215.90 | 210 | 210.10 | 217 |
| Gen. Eaux | 763 | 744 | 752 | 769 |
| Havas | 415 | 400.10 | 400.20 | 416.80 |
| Imetal | 729 | 717 | 722 | 727 |
| Lafarge | 380 | 367.50 | 368 | 383 |
| Legrand | 1171 | 1125 | 1130 | 1183 |
| L'Oreal | 2222 | 2111 | 2126 | 2237 |
| LVMH | 1011 | 975 | 984 | 1028 |
| Michelin B | 309.30 | 295 | 295.80 | 310.20 |
| Paribas A | 523 | 500 | 506 | 537 |
| Pernod Ricard | 322 | 313 | 319.80 | 322.50 |
| Peugeot Cit | 673 | 653 | 653 | 690 |
| Pinault-Print | 3118 | 3066 | 3066 | 3144 |
| Promodes | 2256 | 2182 | 2192 | 2292 |
| Renault | 167.70 | 164 | 164 | 170.10 |
| Rexel | 1770 | 1721 | 1742 | 1799 |
| Rh-Poulenc A | 258 | 248.20 | 252 | 266 |
| Sanofi | 585 | 566 | 577 | 590 |
| Schneider | 326.50 | 313.40 | 314 | 329.60 |
| SEB | 805 | 790 | 798 | 804 |
| SGS Thomson | 356 | 327 | 338 | 379.50 |
| Ste Generale | 852 | 837 | 850 | 856 |
| Sodexho | 3330 | 3286 | 3300 | 3368 |
| St Gobain | 807 | 783 | 788 | 806 |
| Suez (Cie) | 15.05 | 15.05 | 15.05 | 15.50 |
| Suez Lyon Eaux | 640 | 628 | 637 | 640 |
| Synthelabo | 755 | 734 | 740 | 764 |
| Thomson CSF | 174.90 | 169.10 | 174.20 | 176 |
| Total B | 612 | 599 | 601 | 623 |
| Usinor | 84.80 | 79 | 81 | 86 |
| Valeo | 418 | 387.50 | 397 | 422 |

### São Paulo
Bovespa index: 8999.26 — Previous: 9461.52

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Bradesco Pfd | 8.50 | 8.20 | 8.250 | 8.70 |
| Brahma Pfd | 680.00 | 645.00 | 665.00 | 695.00 |
| Cemig Pfd | 45.50 | 44.00 | 44.80 | 47.50 |
| CESP Pfd | 65.00 | 60.60 | 62.00 | 66.55 |
| Copel | 12.00 | 11.70 | 11.70 | 12.50 |
| Eletrobras | 520.00 | 495.00 | 505.00 | 526.00 |
| Itaubanco Pfd | 500.00 | 495.00 | 500.00 | 510.00 |
| Light Servicos | 410.00 | 405.00 | 406.00 | 420.00 |
| Lightpar | 260.00 | 251.99 | 253.00 | 270.00 |
| Petrobras Pfd | 241.98 | 232.02 | 236.00 | 252.00 |
| Paulista Luz | 131.21 | 130.01 | 130.50 | 138.00 |
| Sid Nacional | 31.70 | 30.00 | 31.50 | 32.00 |
| Souza Cruz | 8.30 | 8.20 | 8.21 | 8.39 |
| Telebras Pfd | 112.50 | 108.50 | 111.50 | 116.50 |
| Telemig | 115.00 | 110.00 | 110.00 | 117.01 |
| Telerj | 97.00 | 87.00 | 91.61 | 101.50 |
| Telesp Pfd | 274.00 | 255.00 | 259.00 | 297.00 |
| Unibanco | 39.01 | 39.00 | 39.01 | 40.00 |
| Usiminas Pfd | 6.20 | 5.90 | 5.90 | 6.40 |
| CVRD Pfd | 19.50 | 19.00 | 19.30 | 20.00 |

### Seoul
Composite index: 377.37 — Previous: 399.85

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Dacom | 62900 | 59400 | 59400 | 64500 |
| Daewoo Heavy | 5240 | 4830 | 4830 | 5250 |
| Hyundai Eng. | 10200 | 9600 | 9700 | 10300 |
| Kia Motors | 6000 | 5900 | 5900 | 6110 |
| Korea El Pwr | 15400 | 14500 | 14600 | 15600 |
| Korea Exch Bk | 3750 | 3450 | 3450 | 3750 |
| LG Semicon | 17600 | 16300 | 16300 | 17700 |
| Pohang Iron St | 51400 | 47500 | 49900 | 50000 |
| Samsung Display | 32000 | 31000 | 31500 | 33600 |
| Samsung Elec | 44200 | 40500 | 42500 | 42200 |
| Shinhan Bank | 6970 | 6710 | 6710 | 7290 |
| SK Telecom | 536000 | 457000 | 457000 | 496500 |

### Singapore
Straits Times: 1644.28 — Previous: 1703.52

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Asia Pac Brew | 4.46 | 4.40 | 4.40 | 4.46 |
| Cerebos Pac | 4.70 | 4.50 | 4.52 | 4.70 |
| City Devlts | 7.95 | 7.50 | 7.80 | 8.10 |
| Cycle Carriage | 7.05 | 6.95 | 7.05 | 7.25 |
| Dairy Farm Int * | 0.86 | 0.83 | 0.85 | 0.88 |
| DBS foreign | 16.20 | 14.70 | 15.40 | 16.60 |
| DBS Land | 2.84 | 2.70 | 2.71 | 2.87 |
| Fraser & Neave | 9 | 8.05 | 8.45 | 9.15 |
| HK Land * | 2.10 | 2.02 | 2.04 | 2.10 |
| Jard Matheson * | 4.80 | 4.40 | 4.40 | 4.82 |
| Jard Strategic * | 2.71 | 2.64 | 2.65 | 2.67 |
| Keppel A | 5.35 | 5.10 | 5.15 | 5.35 |
| Keppel Bank | 2.88 | 2.83 | 2.88 | 2.90 |
| Keppel Fels | 4.54 | 4.36 | 4.54 | 4.54 |
| Keppel Land | 2.87 | 2.83 | 2.86 | 2.90 |
| OCBC foreign | 10.60 | 10 | 10.20 | 10.80 |
| OS Union Bk F | 6.70 | 6.35 | 6.70 | 6.60 |
| Parkway Hdgs | 3.92 | 3.86 | 3.90 | 3.96 |
| Sembawang | 5.20 | 5 | 5 | 5.25 |
| Sing Air foreign | 11.50 | 10.90 | 11.10 | 11.70 |
| Sing Land | 4.58 | 4.36 | 4.38 | 4.60 |
| Sing Press F | 22 | 21.10 | 21.20 | 22.40 |
| Sing Tech Ind | 1.73 | 1.66 | 1.73 | 1.75 |
| Sing Telecomm | 3.02 | 2.91 | 2.91 | 3.04 |
| Tat Lee Bank | 2.67 | 2.64 | 2.65 | 2.69 |
| Utd Industrial | 0.71 | 0.69 | 0.69 | 0.74 |
| Utd OSea Bk F | 11.10 | 10.40 | 10.40 | 11.10 |
| Wing Tai Hdgs | 2.06 | 2.03 | 2.04 | 2.07 |

*: in U.S. dollars.

### Stockholm
SX 16 index: 3164.03 — Previous: 3252.88

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| AGA B | 100 | 97.50 | 97.50 | 101.50 |
| ABB A | 91.50 | 88 | 90 | 93.50 |
| AssiDoman | 204 | 202 | 203.50 | 205 |
| Astra A | 135 | 132 | 133 | 136.50 |
| Atlas Copco A | 241 | 232 | 232 | 246.50 |
| Autoliv | 286.50 | 282 | 284 | 288.50 |
| Electrolux B | 606 | 590 | 598 | 612 |
| Ericsson B | 288 | 278.50 | 287 | 293.50 |
| Foreningss Spar | 196.50 | 187 | 187 | 197.50 |
| Hennes B | 344 | 331 | 335 | 347 |
| Incentive A | 684 | 670 | 679 | 695 |
| Investor B | 372 | 365 | 366 | 375 |
| MoDo B | 205 | 195.50 | 199 | 209 |
| Pharm/Upjohn | 281 | 273 | 277 | 281.50 |
| Sandvik B | 249 | 232 | 236.50 | 251 |
| Scania B | 173 | 170 | 172.50 | 174 |
| SCA B | 174.50 | 166 | 166 | 176.50 |
| S-E Banken A | 93.50 | 92 | 93 | 94 |
| Skandia Fors | 399 | 390 | 390 | 403 |
| Skanska B | 330.50 | 318 | 318 | 323 |
| SKF B | 165 | 156.50 | 156.50 | 168 |
| Stora A | 100.50 | 96 | 96 | 102 |
| Sv Handels A | 296.50 | 290 | 292 | 300 |
| Volvo B | 218 | 214 | 214.50 | 220.50 |

### Sydney
All Ordinaries: 2516.80 — Previous: 2554.70

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Amcor | 6.70 | 6.43 | 6.46 | 6.75 |
| ANZ Bking | 10.54 | 10.30 | 10.30 | 10.60 |
| BHP | 13.90 | 13.70 | 13.77 | 13.95 |
| Boral | 3.87 | 3.76 | 3.87 | 3.88 |
| Brambles Ind. | 28.49 | 28.20 | 28.40 | 28.55 |
| CBA | 17.06 | 16.82 | 16.85 | 17.10 |
| CC Amatil | 11.10 | 10.95 | 11.02 | 11.30 |
| Coles Myer | 7.38 | 7.20 | 7.28 | 7.31 |
| Comalco | 6.25 | 6.23 | 6.25 | 6.25 |
| CSR | 5.03 | 4.96 | 5 | 5.05 |
| Fosters Brew | 2.74 | 2.68 | 2.74 | 2.73 |
| Goodman Fld | 2.16 | 2.12 | 2.14 | 2.17 |
| ICI Australia | 11 | 10.55 | 10.55 | 11.03 |
| Lend Lease | 30.75 | 30.29 | 30.50 | 30.88 |
| MIM Hdgs | 1.04 | 1 | 1.01 | 1.04 |
| Nat Aust Bank | 20.31 | 19.97 | 20.20 | 20.43 |
| Nat Mutual Hdg | 2.42 | 2.36 | 2.41 | 2.41 |
| News Corp | 8.36 | 8.20 | 8.20 | 8.44 |
| Pacific Dunlop | 3.25 | 3.15 | 3.18 | 3.25 |
| Pioneer Intl | 3.94 | 3.82 | 3.85 | 3.95 |
| Pub Broadcast | N.T. | N.T. | N.T. | 8.75 |
| Rio Tinto | 17.60 | 17.28 | 17.24 | 17.60 |
| St George Bank | 8.44 | 8.26 | 8.32 | 8.49 |
| WMC | 5.04 | 4.84 | 4.90 | 5.09 |
| Westpac Bking | 9.33 | 9.21 | 9.24 | 9.34 |
| Woodside Pet | 11 | 10.85 | 10.90 | 11.13 |
| Woolworths | 4.80 | 4.69 | 4.77 | 4.72 |

### Taipei
Stock Market index: 8278.58 — Previous: 8583.33

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Cathay Life Ins | 152 | 145 | 145 | 149.50 |
| Chang Hwa Bk | 96.50 | 94 | 96 | 93.50 |
| Chiao Tung Bk | 72 | 69 | 69.50 | 72 |
| China Develpmt | 94 | 90 | 91 | 94.50 |
| China Steel | 24.70 | 24.10 | 24.10 | 24.80 |
| First Bank | 95 | 93 | 93.50 | 92.50 |
| Formosa Plastic | 60 | 59 | 59.50 | 60.50 |
| Hua Nan Bk | 100.50 | 97 | 98 | 98 |
| Intl Comm Bk | 56.50 | 54 | 54 | 56 |
| Nan Ya Plastics | 58 | 56 | 56.50 | 58 |
| Shin Kong Life | 105 | 100.50 | 102 | 100.50 |
| Taiwan Semi | 125 | 120 | 123.50 | 127 |
| Tatung | 36.70 | 35.30 | 36 | 36.50 |
| Utd Micro Elec | 72.50 | 69 | 69.50 | 74 |
| Utd World Chin | 60 | 58 | 58.50 | 59.50 |

### Tokyo
Nikkei 225: 16059.15 — Previous: 16478.12

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Ajinomoto | 1210 | 1210 | 1210 | 1210 |
| All Nippon Air | 574 | 555 | 556 | 579 |
| Amway | 2510 | 2370 | 2460 | 2660 |
| Asahi Bank | 548 | 535 | 536 | 549 |
| Asahi Chem | 522 | 502 | 508 | 523 |
| Asahi Glass | 765 | 750 | 750 | 765 |
| Bk Tokyo Mitsu | 1860 | 1820 | 1840 | 1870 |
| Bk Yokohama | 355 | 340 | 340 | 351 |
| Bridgestone | 2920 | 2850 | 2900 | 2870 |
| Canon | 3330 | 3270 | 3300 | 3300 |
| Chubu Elec | 2020 | 2000 | 2000 | 2010 |
| Chugoku Elec | 1900 | 1860 | 1880 | 1890 |
| Dai Nipp Print | 2480 | 2390 | 2410 | 2500 |
| Daiei | 600 | 560 | 580 | 560 |
| Dai-Ichi Kang | 1000 | 985 | 985 | 1010 |
| Daiwa Bank | 315 | 301 | 301 | 320 |
| Daiwa House | 893 | 865 | 865 | 910 |
| Daiwa Sec | 445 | 435 | 436 | 454 |
| DDI | 3410a | 3210a | 3260a | 3370a |
| Denso | 2490 | 2450 | 2470 | 2520 |
| East Japan Ry | 5900a | 5850a | 5890a | 5850a |
| Eisai | 1840 | 1800 | 1800 | 1860 |
| Fanuc | 4970 | 4910 | 4930 | 4970 |
| Fuji Bank | 638 | 613 | 613 | 640 |
| Fuji Photo | 5020 | 4920 | 4940 | 5040 |
| Fujitsu | 1480 | 1450 | 1450 | 1460 |
| Hachijuni Bk | 1060 | 1040 | 1040 | 1060 |
| Hitachi | 971 | 963 | 966 | 969 |
| Honda Motor | 4820 | 4750 | 4780 | 4860 |
| IBJ | 1130 | 1090 | 1100 | 1130 |
| IHI | 241 | 231 | 235 | 250 |
| Itochu | 261 | 225 | 230 | 269 |
| Ito-Yokado | 6150 | 6060 | 6060 | 6060 |
| JAL | 380 | 361 | 369 | 380 |
| Japan Tobacco | 9480a | 9430a | 9430a | 9520a |
| Jusco | 2060 | 2000 | 2000 | 2070 |
| Kajima | 436 | 432 | 433 | 432 |
| Kansai Elec | 2140 | 2120 | 2120 | 2100 |
| Kao | 1770 | 1740 | 1740 | 1750 |
| Kawasaki Hvy | 272 | 269 | 269 | 270 |
| Kawa Steel | 179 | 160 | 164 | 180 |
| Kinki Nipp Ry | 692 | 677 | 678 | 692 |
| Kirin Brewery | 993 | 981 | 981 | 982 |
| Kobe Steel | 108 | 104 | 104 | 108 |
| Komatsu | 755 | 745 | 749 | 760 |
| Kubota | 419 | 395 | 395 | 420 |
| Kyocera | 6090 | 5740 | 5840 | 6040 |
| Kyushu Elec | 1900 | 1870 | 1890 | 1900 |
| LTCB | 260 | 252 | 260 | 260 |
| Marubeni | 265 | 251 | 252 | 263 |
| Marui | 2020 | 1980 | 2020 | 2050 |
| Matsu Comm | 3720 | 3610 | 3700 | 3820 |
| Matsu Elec Ind | 1930 | 1890 | 1900 | 1940 |
| Matsu Elec Wk | 1030 | 1010 | 1020 | 1020 |
| Mitsubishi | 1030 | 1000 | 1020 | 1030 |
| Mitsubishi Ch | 205 | 200 | 202 | 203 |
| Mitsubishi El | 355 | 335 | 340 | 340 |
| Mitsubishi Est | 1580 | 1520 | 1530 | 1600 |
| Mitsubishi Hvy | 507 | 490 | 495 | 505 |
| Mitsubishi Mat | 415 | 411 | 415 | 414 |
| Mitsubishi Tr | 1570 | 1530 | 1530 | 1600 |
| Mitsui | 861 | 854 | 859 | 870 |
| Mitsui Fudosn | 1360 | 1320 | 1320 | 1370 |
| Mitsui Trust | 252 | 235 | 235 | 248 |
| Murata Mfg | 3660 | 3610 | 3610 | 3770 |
| NEC | 1390 | 1380 | 1380 | 1400 |
| Nikon | 1460 | 1420 | 1430 | 1450 |
| Nikko Sec | 412 | 395 | 395 | 427 |
| Nintendo | 13300 | 12900 | 13200 | 13500 |
| Nipp Express | 625 | 616 | 619 | 636 |
| Nippon Oil | 398 | 382 | 387 | 400 |
| Nippon Steel | 200 | 185 | 189 | 203 |
| Nissan Motor | 504 | 496 | 497 | 504 |
| NKK | 117 | 110 | 110 | 116 |
| Nomura Sec | 1640 | 1620 | 1640 | 1650 |
| NTT | 1110b | 1080b | 1080b | 1120b |
| NTT Data | 6840b | 6700b | 6740b | 6890b |
| Oji Paper | 523 | 517 | 515 | 516 |
| Osaka Gas | 296 | 286 | 289 | 295 |
| Ricoh | 1660 | 1620 | 1630 | 1690 |
| Rohm | 13500 | 13400 | 13400 | 13400 |
| Sakura Bk | 471 | 450 | 460 | 450 |
| Sankyo | 2980 | 2890 | 2910 | 3070 |
| Sanwa Bank | 1430 | 1400 | 1400 | 1440 |
| Sanyo Elec | 380 | 371 | 377 | 369 |
| Secom | 7990 | 7850 | 7900 | 7990 |
| Seibu Rwy | 5980 | 5700 | 5700 | 5900 |
| Sekisui Chem | 806 | 771 | 771 | 792 |
| Sekisui House | 854 | 845 | 845 | 854 |
| Seven-Eleven | 9080 | 8970 | 8980 | 9090 |
| Sharp | 833 | 802 | 802 | 811 |
| Shikoku El Pwr | 1890 | 1860 | 1870 | 1890 |
| Shimizu | 404 | 390 | 393 | 405 |
| Shin-etsu Ch | 3050 | 3030 | 3030 | 3060 |
| Shiseido | 1810 | 1780 | 1780 | 1810 |
| Shizuoka Bk | 1260 | 1240 | 1250 | 1260 |
| Softbank | 2710 | 2460 | 2590 | 2740 |
| Sony | 11700 | 11200 | 11400 | 12000 |
| Sumitomo | 827 | 771 | 812 | 790 |
| Sumitomo Bk | 1530 | 1480 | 1490 | 1560 |
| Sumit Chem | 362 | 337 | 345 | 364 |
| Sumitomo Elec | 1760 | 1730 | 1740 | 1750 |
| Sumit Metal | 215 | 201 | 203 | 227 |
| Sumit Trust | 780 | 729 | 750 | 786 |
| Taisho Pharm | 3250 | 3150 | 3160 | 3240 |
| Takeda Chem | 3760 | 3690 | 3730 | 3750 |
| TDK | 10200 | 9330 | 10000 | 11100 |
| Tohoku El Pwr | 1950 | 1920 | 1930 | 1920 |
| Tokai Bank | 662 | 640 | 650 | 669 |
| Tokio Marine | 1170 | 1150 | 1160 | 1150 |
| Tokyo El Pwr | 2310 | 2280 | 2290 | 2290 |
| Tokyo Electron | 5530 | 5370 | 5410 | 5700 |
| Tokyo Gas | 304 | 300 | 302 | 297 |
| Tokyu Corp. | 519 | 511 | 511 | 519 |
| Tonen | 900 | 854 | 867 | 904 |
| Toppan Print | 1700 | 1650 | 1660 | 1690 |
| Toray Ind | 587 | 571 | 571 | 580 |
| Toshiba | 529 | 505 | 520 | 525 |
| Tostem | 1260 | 1240 | 1250 | 1250 |
| Toyo Trust | 795 | 770 | 785 | 812 |
| Toyota Motor | 3710 | 3670 | 3680 | 3720 |
| Yamanouchi | 3060 | 2970 | 2980 | 3090 |

a: x 100; b: x 1,000

### Toronto
TSE Industrials: 6654.07 — Previous: 6734.53

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Abitibi Cons. | 19.70 | 19¼ | 19.30 | 19.90 |
| Alberta Energy | 28 | 26.90 | 27.30 | 28.40 |
| Alcan Alum | 40.40 | 38.90 | 38.95 | 40.60 |
| Anderson Expl | 13.55 | 13.30 | 13½ | 13.55 |
| Bk Montreal | 66⅛ | 64.80 | 65.60 | 66.85 |
| Bk Nova Scotia | 68 | 67.10 | 67¼ | 68.70 |
| Barrick Gold | 23.40 | 22.60 | 22.90 | 22.90 |
| BCE | 47.20 | 46.30 | 47.10 | 47¼ |
| BC Telecomm | 43⅛ | 42.80 | 43 | 44.90 |
| Biochem Pharm | 38.80 | 38.25 | 38.50 | 39.00 |
| Bombardier B | 29.80 | 29.15 | 29.45 | 29¼ |
| Cameco | 49 | 48¼ | 48¼ | 49⅛ |
| CIBC | 46 | 45.20 | 45.60 | 46½ |
| Cdn Natl Rail | 72 | 71¼ | 71½ | 72.70 |
| Cdn Nat Res | 31.95 | 31 | 31.95 | 31¼ |
| Cdn Occid Pet | 34 | 33 | 33.15 | 34 |
| Cdn Pacific | 40.85 | 39.70 | 39.95 | 41¼ |
| Cominco | 20.35 | 20.05 | 20¼ | 20½ |
| Dofasco | 22.15 | 21.65 | 21¼ | 22.20 |
| Domtar | 10.45 | 10.10 | 10.15 | 10.40 |
| Donohue A | 24½ | 24¼ | 24¼ | 24½ |
| Du Pont Cda A | 35½ | 35 | 35¼ | 34½ |
| EdperBrascan | 26.20 | 25¼ | 25.95 | 26.20 |
| Euro-Nev Mng | 14.20 | 13.85 | 14.05 | 14¼ |
| Fairfax Finl | 330 | 326 | 328 | 331 |
| Falconbridge | 17¼ | 17.35 | 17¼ | 17½ |
| Fletcher Chall A | 19.80 | 19.55 | 19½ | 19¾ |
| Franco Nevada | 25¼ | 24½ | 24.60 | 24.90 |
| Gulf Cda Res | 10½ | 10¼ | 10.35 | 10.85 |
| Imperial Oil | 86½ | 86 | 86½ | 86.40 |
| Inco | 26.30 | 25.90 | 26 | 26.30 |
| IPL Energy | 62.05 | 61.10 | 62 | 62.35 |
| Laidlaw B | 19 | 18¾ | 18.55 | 19.10 |
| Loewen Group | 34½ | 33½ | 33½ | 34.60 |
| Macmill Bldl | 14.95 | 14½ | 14.60 | 14.90 |
| Magna Intl A | 93.80 | 92.85 | 93 | 93.80 |
| Methanex | 11.85 | 11.70 | 11.35 | 11.80 |
| Moore | 22.10 | 21.30 | 21.60 | 21.80 |
| Newbridge Net | 52.90 | 50½ | 51.90 | 52.30 |
| Noranda Inc | 25 | 23.90 | 24.10 | 25¼ |
| Norcen Energy | 17 | 16.80 | 16.85 | 16.85 |
| Nthern Telecom | 134 | 131 | 131¼ | 134.70 |
| Nova | 13.90 | 13.65 | 13.65 | 13.90 |
| Onex | 29.95 | 29½ | 29½ | 29.95 |
| Pancdn Petlm | 24 | 23.30 | 23.30 | 24 |
| Petro Cda | 26¾ | 25.95 | 26.05 | 26.95 |
| Placer Dome | 16.10 | 15.30 | 15.35 | 15.90 |
| Poco Petlm | 11.55 | 11.05 | 11½ | 11.30 |
| Potash Sask | 117 | 116 | 116.30 | 117.60 |
| Renaissance | 29¼ | 29.10 | 29.35 | 30.05 |
| Rio Algom | 25.90 | 25 | 25.20 | 26.20 |
| Rogers Cantel B | 13¼ | 13.15 | 13½ | 13 |
| Seagram Co | 45.90 | 45.30 | 45.55 | 45.80 |
| Shell Cda A | 27.45 | 27.30 | 27.35 | 27¾ |
| Suncor | 47.70 | 46.65 | 47.60 | 47.65 |
| Talisman Eny | 45.65 | 44¾ | 45¼ | 45.80 |
| Teck B | 19.35 | 18.20 | 18.95 | 19 |
| Teleglobe | 46½ | 45½ | 45.90 | 46 |
| Telus | 33 | 32.70 | 32.80 | 33¼ |
| Thomson | 38.20 | 37½ | 37.95 | 38.10 |
| TorDom Bank | 54.40 | 52.60 | 53.55 | 54.70 |
| Transalta | 20¼ | 20¼ | 20.60 | 21 |
| TransCda Pipe | 30.95 | 30.60 | 30.65 | 31 |
| Trimark Finl | 65½ | 64 | 65¼ | 65½ |
| Trizec Hahn | 34¼ | 34 | 34.20 | 35 |
| TVX Gold | 4.10 | 3.76 | 3.83 | 4 |
| Westcoast Eny | 33.45 | 33.20 | 33¼ | 33¼ |
| Weston | 116 | 113 | 114¼ | 114 |

### Vienna
ATX index: 1271.64 — Previous: 1305.84

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Boehler-Uddeh | 873.50 | 783 | 790 | 828 |
| Creditanst Pfd | 629.90 | 612 | 620 | 615.10 |
| EA-Generali | 3170 | 3110 | 3150 | 3180 |
| EVN | 1645 | 1585 | 1637 | 1634 |
| Flughafen Wien | 508 | 502.50 | 504.90 | 509 |
| OMV | 1750 | 1685 | 1700 | 1760 |
| Oest Elektriz | 1015 | 1000.20 | 1008 | 1008.05 |
| VA Stahl | 490 | 468 | 472 | 498 |
| VA Tech | 2039 | 1953 | 1965 | 2080 |
| Wienerberg Bau | 2456 | 2406 | 2420 | 2470 |

### Wellington
NZSE-40 index: 2366.07 — Previous: 2396.12

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| Air N Zeald B | 3.38 | 3.36 | 3.38 | 3.38 |
| Brierly Invt | 1.23 | 1.21 | 1.21 | 1.22 |
| Carter Holt ord | 2.60 | 2.55 | 2.55 | 2.66 |
| Fletch Ch Bldg | 4.52 | 4.35 | 4.35 | 4.52 |
| Fletch Ch Eny | 6.40 | 6.30 | 6.31 | 6.45 |
| Fletch Ch Forst | 1.55 | 1.53 | 1.54 | 1.55 |
| Fletch Ch Paper | 2.27 | 2.22 | 2.25 | 2.38 |
| Lion Nathan | 3.90 | 3.87 | 3.88 | 3.88 |
| Telecom NZ | 8.80 | 8.70 | 8.75 | 8.80 |
| Wilson Horton | 10.40 | 10.40 | 10.40 | 10.45 |

### Zurich
SPI index: 3752.31 — Previous: 3776.83

| | High | Low | Close | Prev. |
|---|---|---|---|---|
| ABB B | 1820 | 1755 | 1805 | 1859 |
| Adecco B | 395 | 375 | 388 | 394 |
| Alusuisse R | 1362 | 1320 | 1351 | 1340 |
| Ares-Serono B | 2450 | 2400 | 2400 | 2450 |
| Atel R | 800 | 798 | 800 | 800 |
| Baer Hdg B | 2600 | 2551 | 2600 | 2575 |
| Baloise Hdg R | 2748 | 2635 | 2705 | 2691 |
| BK Vision | 1474 | 1435 | 1474 | 1462 |
| Ciba Spec Chem | 170.75 | 163.75 | 169.75 | 170 |
| Clariant R | 1154 | 1162 | 1176 | 1199 |
| Cred Suisse Gp R | 238.50 | 232 | 238 | 226.50 |
| Elektrowatt B | 550 | 540 | 540 | 549 |
| Ems-Chemie | 7075 | 6990 | 7010 | 6975 |
| ESEC Hdg | 3700 | 3300 | 3450 | 3370 |
| Holderbank B | 1184 | 1155 | 1179 | 1200 |
| Liechtenst LB B | 562 | 560 | 562 | 564 |
| Nestle R | 2062 | 2009 | 2051 | 2092 |
| Novartis R | 2280 | 2233 | 2259 | 2315 |
| Oerlikon Buehr R | 201 | 198 | 199 | 201.75 |
| Pargesa Hld B | 1800 | 1795 | 1798 | 1780 |
| PharmVisn B | 849 | 825 | 835 | 854 |
| Richemont A | 1590 | 1532 | 1550 | 1573 |
| Pirelli PC | 305 | 300 | 305 | 310 |
| Roche Hdg PC | 13060 | 12900 | 13035 | 13100 |
| SBC R | 459 | 451 | 454 | 469.50 |
| Schindler PC | 1665 | 1610 | 1620 | 1670 |
| SGS B | 2681 | 2607 | 2670 | 2695 |
| SMH B | 826 | 813 | 813 | 838 |
| Sulzer R | 920 | 885 | 900 | 928 |
| Swiss Reins R | 2680 | 2466 | 2678 | 2480 |
| SAir Group R | 1909 | 1880 | 1886 | 1921 |
| UBS B | 2147 | 2095 | 2129 | 2176 |
| Winterthur R | 1650 | 1600 | 1650 | 1570 |
| Zurich Assur R | 632 | 619 | 627 | 632 |

## The Trib Index

Prices as of 3:00 P.M. New York time

| Jan. 1, 1992 = 100 | Level | Change | % change | year to date % change |
|---|---|---|---|---|
| World Index | 170.17 | −2.10 | −1.22 | +14.09 |
| **Regional Indexes** | | | | |
| Asia/Pacific | 97.20 | −3.13 | −3.12 | −21.25 |
| Europe | 188.85 | −2.09 | −1.09 | +17.15 |
| N. America | 216.15 | −0.73 | −0.34 | +33.45 |
| S. America | 140.06 | −5.23 | −3.60 | +22.40 |
| **Industrial Indexes** | | | | |
| Capital goods | 208.85 | −3.61 | −1.70 | +22.19 |
| Consumer goods | 205.35 | −1.07 | −0.52 | +27.21 |
| Energy | 193.64 | −2.06 | −1.05 | +13.43 |
| Finance | 122.40 | −1.93 | −1.55 | +5.10 |
| Miscellaneous | 149.16 | −4.87 | −3.16 | −7.79 |
| Raw Materials | 166.50 | −2.59 | −1.53 | −5.06 |
| Service | 168.99 | −2.37 | −1.38 | +23.06 |
| Utilities | 161.58 | −1.25 | −0.77 | +12.63 |

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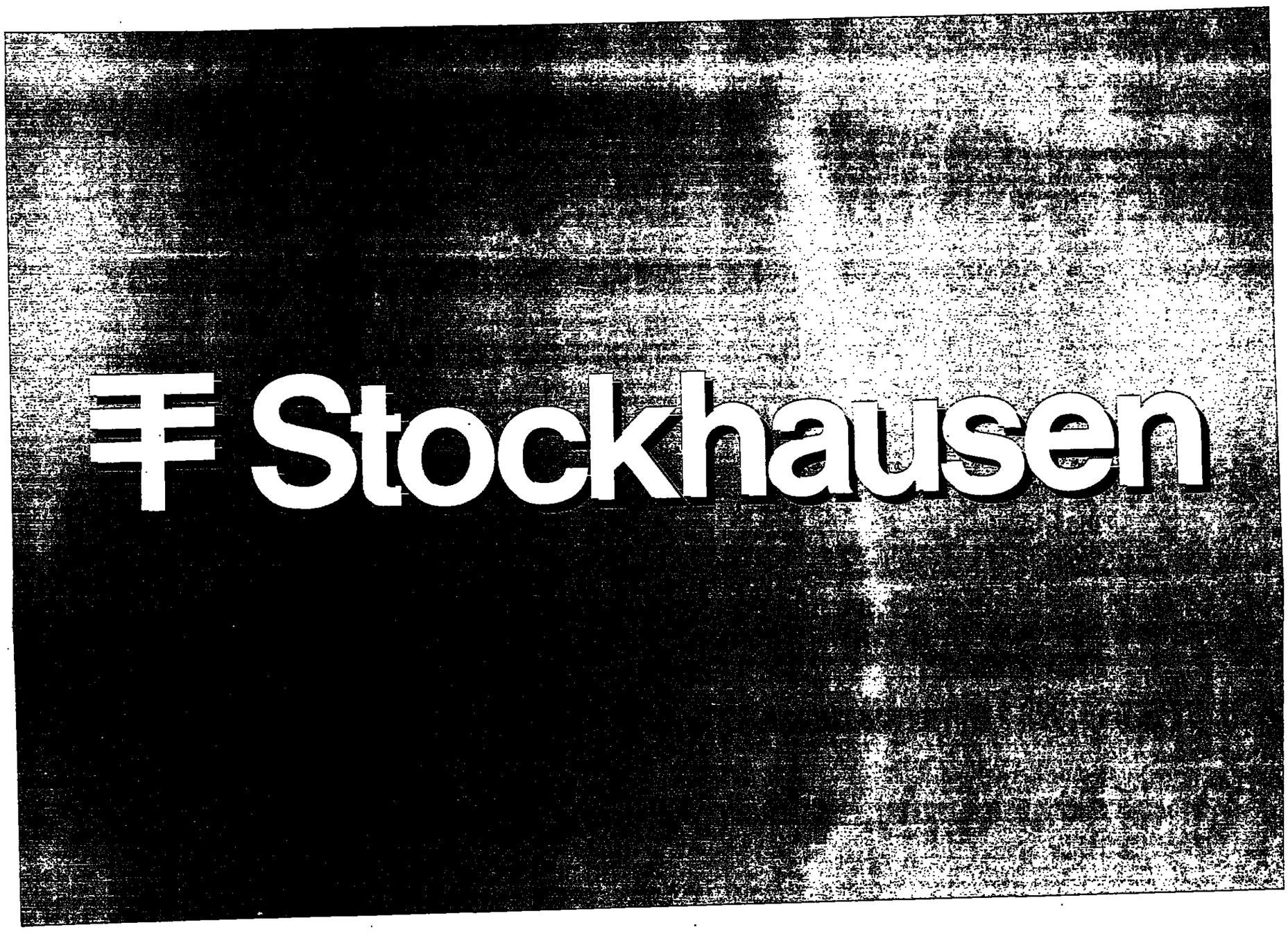
# Nice to meet you!

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## WORLD ROUNDUP

### Martinez: Now No. 1

**BASEBALL** Greg Maddux's run as the player with the highest salary in baseball history has ended after only four months.

The new No. 1 is pitcher Pedro Martinez, who won the National League Cy Young award a month ago, then was traded by Montreal a week later.

Martinez reached an agreement Wednesday with the Boston Red Sox on a six-year contract for $75 million. The average annual value of $12.5 million exceeds by $1 million the average of the five-year contract Maddux agreed to with the Atlanta Braves in August. *(NYT)*

### A Super-G Is Postponed

**SKIING** Warm and wet weather forced the postponement of a women's World Cup super-G in Val d'Isere, France, delaying the comebacks of Picabo Street, the world's top downhiller between 1994 and 1996, and Pernilla Wiberg, last year's overall World Cup winner. Both skiers are returning to the slopes after serious injuries. *(AP)*

### U.S. Star Recuperating

**SKATING** Michelle Kwan, the 1996 world and national figure-skating champion and a favorite for the Olympic gold medal in Nagano, Japan, has a lingering stress fracture in a toe and has been ordered by her doctor to rest. Kwan was expected to recover in time for the national championships in Philadelphia next month, the U.S. Figure Skating Association said. *(AP)*

### German Player Suspended

**SOCCER** The German soccer federation has suspended Bayer Leverkusen's striker Ulf Kirsten until Feb. 11 and fined him 10,000 Deutsche marks ($5,600) for elbowing an opponent during a league match. Kirsten, the Bundesliga's top scorer, will miss four first-division games and a German Cup quarterfinal next Wednesday against Bayern Munich. *(Reuters)*

• Bruce Grobbelaar, Liverpool's former goalkeeper, and Hans Seger, Wimbledon's former goalie, appeared Thursday before a Football Association panel to answer charges of breaking betting rules. If found guilty, the two players could be banned from the sport for life.

The two were acquitted earlier this year on criminal charges of match-fixing. *(AP)*

# Dominicans Enraged Over Baseball Scandal

## *Group Accuses Giants' Recruiter of Harassment*

By Larry Rohter
*New York Times Service*

SAN PEDRO DE MACORIS, Dominican Republic — Over the past 25 years, this sugar mill town of 85,000 people has been one of the most prolific producers of major league baseball players in the world.

Although a billboard at the edge of town boasts this is the "cradle of shortstops," all-star outfielders and pitchers have also been manufactured here — about 100 players in all.

But now scandal threatens to disrupt that pipeline to the big leagues.

In a case that has provoked anger throughout this impoverished, baseball-crazed Caribbean nation of 8 million people, Luis Rosa, the San Francisco Giants' veteran director of Latin American operations, has been imprisoned on charges he demanded sex from 15 young minor league players here as a condition for playing time. Rosa has also been charged with embezzling part of the players' signing bonuses and salaries.

"Like most players here, all of us come from poor, humble families, and dream of getting to the big leagues, or at least the United States, so that our parents and siblings can have a better life," said Yan Carlos Ravelo, a 20-year-old right-handed pitcher who filed the initial criminal complaint in June. "Luis Rosa took advantage of our poverty and our desperation for an American visa to make us his slaves."

In a country where the code of machismo prevails and homosexuality is still regarded with revulsion, the players' accounts of sexual abuse and harassment have prompted demands that Juan Marichal, the Hall of Fame pitcher and former Giants star who is now the government's secretary of sports and recreation, impose tighter controls and supervision over the signing and training of players.

That the Giants, of all teams, find themselves at the center of the case has only added to the sense of betrayal.

"This is a team with a long and respected tradition in our country," Juan Ortiz, the Dominican Republic's commissioner of baseball, said in an interview. "This is not some new expansion team. This is the team that signed Ozzie Virgil, the first Dominican to play in the big leagues, and took the three Alou brothers and Juan Marichal to the major leagues."

The Alou brothers, Felipe, Matty and Jesus, were star outfielders in the 1960s and 1970s. Felipe Alou is now manager of the Montreal Expos and his son Moises played a leading role for the Florida Marlins in the 1997 World Series.

In the quiet world of baseball scouts, Luis Rosa was just as much a star. In a career that has spanned two decades, he has signed so many of baseball's best Latin American players, among them Roberto and Sandy Alomar, Juan Gonzalez, Ivan Rodriguez, Benito Santiago, Wilson Alvarez and Ozzie Guillen, that, he says, "if you put them all together, they would make one hell of an all-star team."

Interviewed in the jail cell here where he has been held since late October, Rosa, 51, denied any wrongdoing and said he was being made "a scapegoat" both by the Giants and his former players. He attributed their accusations to a desire for revenge, triggered by inadequate performances on the diamond that had forced him to release them.

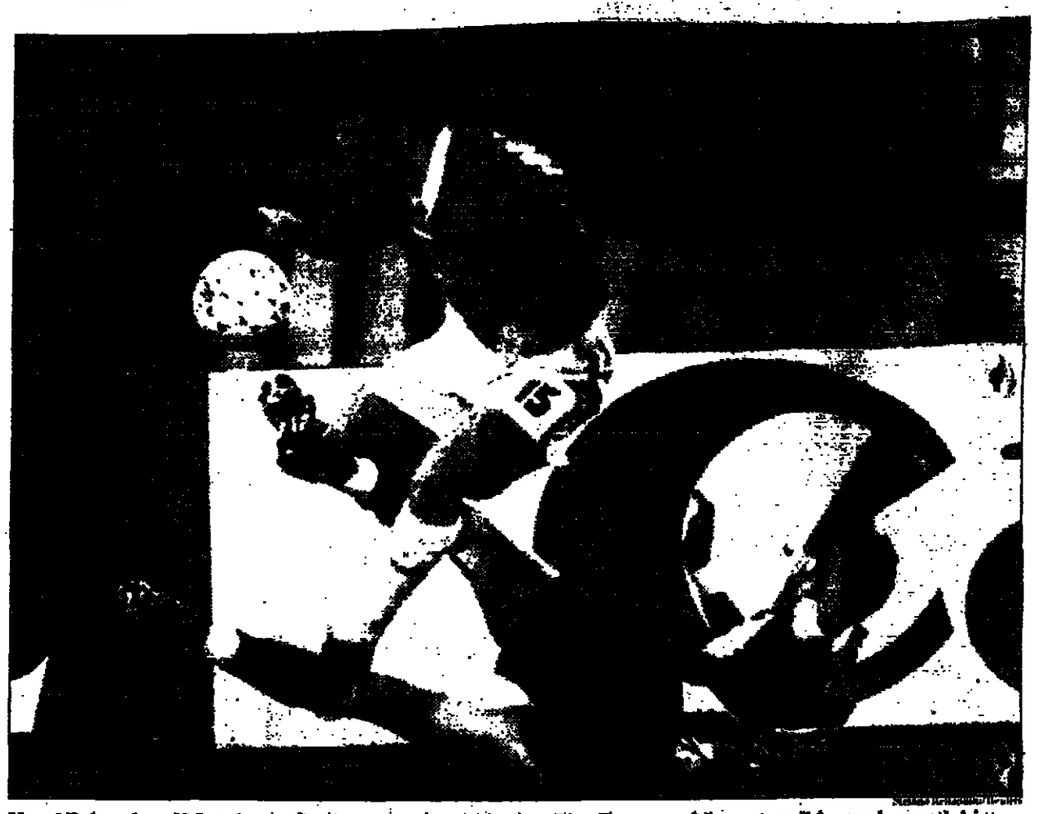
"They just didn't cut it, and I had to let them go," said Rosa, a U.S. citizen who came here voluntarily from his home in Puerto Rico to defend himself. "Now they have been recruited by a group of unscrupulous lawyers to defame my name and destroy my career in what is nothing more than an extortion plot."

Two of the original 15 complainants, Gabriel MacDonald and Miguel Mota, recently withdrew from the case and have retracted their accusations. Sitting at Rosa's side, MacDonald, a 20-year-old center fielder, described himself as so desperately poor and confused after his release, the death of his mother and the birth of a son that he invented the story in hopes of making some money.

But in a sworn statement to Dominican prosecutors, the former major league star Joaquin Andujar, a San Pedro de Macoris native who was pitching coach for the Giants development team that Rosa managed during the 1996 season, flatly contradicted that version of events. Under oath, Andujar said that of the players in question, "most of them came to me every day, some of them crying," to complain of Rosa's incessant sexual demands.

"One of them told me he couldn't get to pitch because Luis Rosa had said that unless they went to bed together he wouldn't be allowed to take the mound," Andujar testified. MacDonald, he said, "told me that Luis Rosa had said that unless he went to bed with him, not only would he never get to play, he would not be allowed to travel to the United States."

No trial date has yet been set for Rosa. Each count of sexual harassment carries a maximum prison term of two years and each charge of embezzlement can result in a 10-year sentence.



Karel Poborsky of Manchester United going for the ball as Ciro Ferrara of Juventus slides underneath him.

# *Soccer Gods Smile on Juventus*

By Peter Berlin
*International Herald Tribune*

TURIN — Marcello Lippi was trying not to smile. He flicked up the collar of his tailored overcoat and attempted the poker face of a cool Italian coach, but that grin kept escaping. No one would have been surprised if he had just burst out laughing at his outrageous good fortune.

"That's why soccer is beautiful," he said. "In three minutes we went from disappointment to the greatest joy."

In those three minutes on Wednesday night, three of the final minutes in the final round of matches in the group stage of the Champions League, two goals hundreds of miles apart helped Lippi's Juventus team elbow past Paris Saint-Germain and Rosenborg and into the quarterfinals.

At the start of evening, four of the six group winners had already been decided. What remained to be determined was who would win the other two groups, and which two second-place teams would round out the number of quarterfinalists to eight.

Juventus started the evening with nine points, six behind its visitor, Manchester United, which had already clinched first place in Group B. The Italian club's chief rivals for a place in the next round were two teams battling for first place in Group D: Real Madrid and Rosenborg, which both had 10 points; the two teams tied atop Group F, and Monaco and Bayer Leverkusen, which both had 12 points, and Paris Saint-Germain, also with nine points, in Group E.

Even if Juventus won, victories for Real and Rosenborg, and a tie between Bayer and Monaco in Leverkusen would eliminate it.

The start set the pattern for Juventus. In the first minute, Daniel Fonesca set up Filippo Inzaghi, who guided his header straight at Peter Schmeichel, United's goalkeeper. By halftime, both Inzaghi and Zinedine Zidane had missed the target from only a few meters.

But things were going well elsewhere: Real was trashing Porto in Madrid, but Leverkusen was leading Monaco, 2-0. PSG was locked at 1-1 at home to Besiktas of Istanbul, and Rosenborg was 0-0 in Greece against Olympiakos.

If Juventus could score, it would advance. Yet the team could not score. Many of the United players seemed to have lost interest, but Juventus could not take advantage. Indeed, its misses became worse. Fonesca slammed a shot against the goal post. Schmeichel saved brilliantly from Zidane. Then Zidane cut through the United defense, pulled Schmeichel out and right-angled the ball into the goal mouth. Three Juventus players were lining up to score. Alessandro Birindelli was first in line, and as the crowd rose to cheer, he shot at the unguarded goal. But somehow it looped past the post.

As the crowd grew discouraged and quieter, the bing-boings announcing that the scoreboard was about to show updates from other matches grew more audible as well as more frequent. Even those scores that seemed to raise hopes only increased the torment. When the

**CHAMPIONS LEAGUE**

scoreboard showed that Olympiakos had taken the lead against Rosenborg, the cheers had barely died down before the next bing-boing: Olympiakos 1, Rosenborg 1.

Then everything turned against the Italians. Bing-boing: PSG 2, Besiktas 1; Bayer Leverkusen 2, Monaco 1; Olympiakos 1, Rosenborg 2, and then, cruelest of all, in the 81st minute, bing-boing: Leverkusen 2, Monaco 2.

The French champion, which came from two goals behind to beat Sporting Lisbon two weeks earlier, had staged another comeback. Now even if Juve scored, it would still be eliminated.

And, with the pressure seemingly off, that is exactly what it did. Zidane, who throughout had played as if he was not prepared to permit defeat, cut through again. He drew Schmeichel and then curled the ball onto Inzaghi's forehead. Now that it did not matter, the striker's nerve held, and from a meter out he guided the ball into the goal.

The hollow cheering soon subsided. But suddenly, while Juventus prepared to take a free kick in its end of the field, Lippi inexplicably started prancing down the sideline. The crowd, perhaps listening to transistor radios or perhaps calculating that Lippi could only be celebrating one thing, began to cheer. It was like hearing thunder and waiting to see the lightning.

Bing-boing: Olimpiakos 2, Rosenborg 2. In Piraeus, in the 88th minute, Predrag Djordjevic had scored a goal that meant little to his eliminated team but everything to Juventus.

Suddenly, the stadium was boiling. Even the temperature on the scoreboard rose to 3 degrees from 2 degrees. United started trying but could not score. And Juventus, a finalist the past two years, lived on.

"It became like a World Cup final in the last few minutes," said Alex Ferguson, United's manager. "That's why soccer is an amazing game."

"We will see you in the final," Lippi told Ferguson.

"If so, it will be a different game," Ferguson said.

Juventus and United are joined in Wednesday's draw by Leverkusen, which qualified as a best runner-up. The other teams are Bayern Munich, Borussia Dortmund, Real Madrid, Monaco and Dynamo Kiev.

# *With 51 Saves, Roy Helps Avalanche Tie Leafs*

*The Associated Press*

When you outshoot the opposition 53-19 in the National Hockey League, you're supposed to win. Except, perhaps, when you're facing Patrick Roy as the goaltender.

The Colorado Avalanche star put on another show-stopping performance with 51 saves Wednesday night, helping his team pull out a 2-2 tie in Toronto against the Maple Leafs.

"We were robbed by the best goalie in the world," Toronto's Tie Domi said. "He made some unbelievable saves."

For Roy, it was just another night at work, albeit a pretty busy night.

"I knew in the warmup this was going to be a good game for me," Roy said. "I knew exactly how many shots they were getting. I could see the shot clock. But I felt great, not tired."

Roy was especially outstanding during a flurry of four shots in five seconds around the goalmouth midway through the third period. "Patrick saved us," said Colorado's captain, Joe Sakic.

**Devils 4, Oilers 2** Mike Dunham, a backup goalie, made 27 saves, giving

**NHL ROUNDUP**

New Jersey a rare victory without Martin Brodeur. Dave Andreychuk, Patrik Elias, Bobby Holik and Brian Rolston scored as the Devils won their third straight game.

Ryan Smyth and Joe Hulbig scored for the Oilers.

**Flames 4, Rangers 1** Rick Tabaracci made 30 saves in Calgary's victory in New York. Theoren Fleury scored two goals for the Flames.

**Panthers 5, Hurricanes 2** Robert Svehla had a goal and two assists as visiting Florida scored three second-period goals in a span of 5:21 to beat Carolina in Greensboro, North Carolina.

**Canadiens 4, Blues 3** In Montreal, Vincent Damphousse scored 55 seconds into overtime to cap the Canadiens' comeback from a three-goal deficit. Stephane Quintal and Saku Koivu scored in a 20-second span with less than three minutes left.

**Stars 3, Lightning 0** Ed Belfour had to stop only 12 shots for his seventh shutout, and Sergei Zubov had a goal and an assist as Dallas extended its home winning streak to seven games.

**Coyotes 3, Blackhawks 3** Keith Tkachuk scored a power-play goal with 7:23 left in regulation as visiting Phoenix tied Chicago.

**Penguins 3, Mighty Ducks 0** Tom Barrasso made 28 saves and earned his fourth shutout in his last five road games, and Jaromir Jagr scored twice in the first period for Pittsburgh.

**Capitals 3, Sharks 3** Peter Bondra's power-play goal with 29 seconds left in the third period gave Washington a tie at San Jose.

# Nebraska Coach Will Retire

*The Associated Press*

LINCOLN, Nebraska — One of college football's most successful coaches is calling it quits, and Washington State is in position to give Tom Osborne the best retirement gift he could receive.

If the No. 8 Cougars upset top-ranked Michigan in the Rose Bowl, it will clear the way for No. 2 Nebraska to send Osborne into retirement with his third national championship.

Osborne, 60, announced his retirement Wednesday after 25 seasons, saying that the Orange Bowl against No. 3 Tennessee on Jan. 2 would be his last game.

Frank Solich, a Nebraska assistant for 19 years, was named to succeed Osborne, who said he would stay until February to help with the transition.

Citing health problems and saying he wants to spend more time with his family, Osborne announced the end to one of the most successful coaching careers in the sport.

"I think it's wise to back off before you leave feet first or somebody tells you it's time to go," the coach said.

He won consecutive national titles in 1994 and 1995. His career record of 254-49-3 ranks him sixth in victories in NCAA Division I-A history.

• Just hours after learning that his coach was retiring, Nebraska defensive end Grant Wistrom got the news Wednesday that he had won the Lombardi Award as the nation's top collegiate lineman. Wistrom, a 6-foot-5 (1.95-meter), 250-pound (113-kilogram) senior, was a main cog in the defense that helped the Cornhuskers take a 12-0 record into Osborne's final game as coach.

Wistrom credited Osborne for his success. "He's a large part of why I've been fortunate to have won it."

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## CROSSWORD

**ACROSS**
1 Fit
7 Cricket sounds
13 Ordinary
14 More available for use
16 Brother of Tamar, in the Bible
17 Pestiferous
18 Mathematician's ordinal
19 "The Lux Show" star of 50's TV
21 Empty (of)
22 Deadline, sometimes
24 Jackson and others
25 ——Honey (candy bar)
28 Register
28 Map rtes.
29 Apply (for)
30 Comics debut of 3/12/51
33 Caddie's item
34 Four-star ratings, say
40 Move, in a way
41 Up to, informally
42 Reddish-orangish brown
43 Order on an order
44 I.Q. test name
46 In —— (undisturbed)
47 Whup
48 Card game also called high-low-jack
50 McDaniel of C&W
51 Speak for the dead
53 Hauling fee
55 Make like new
56 Removed by melting, e.g.
57 In Solomon's way
58 Kind of room

**DOWN**
1 Low sound
2 Like Samson, before Delilah
3 Gilbert and Sullivan princess
4 Sprinkle after a shower
5 Part of a famous plane name
6 Without reticence
7 It has a 60-year cycle
8 Small game
9 Very dark
10 Map rtes.
11 1942 Abbott and Costello movie
12 Arab, e.g.
15 Kind of flight
15 Not in its original form
20 At risk
23 Going on and on
29 —— of joy (newborns)
27 Permissible
29 Toehold?
31 Part of A.S.P.C.A.: Abbr.
32 Big ——
34 Hole in the ground
36 Antique dealers' deals
38 Locale in a 1964 hit
37 Provide pizazz
38 Whole thing
39 Bear-clawed
44 Automobile headlight holder
45 Certain engine
48 Support, with "with"
49 Lifeline site
52 Prince in Ezekiel
54 Trap

Solution to Puzzle of Dec. 11

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| I | O | U | | A | P | A | T | H | Y | | A | D | A | M |
| N | O | S | E | G | A | Y | S | | L | A | S | E | R | S |
| S | T | I | N | G | S | | O | L | I | V | E | R | | |
| | | F | R | E | T | | L | I | N | O | T | Y | P | E |
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| E | N | O | L | | P | R | I | E | S | | N | U | L | L |
| T | A | U | | R | E | I | N | S | | C | O | R | E | S |
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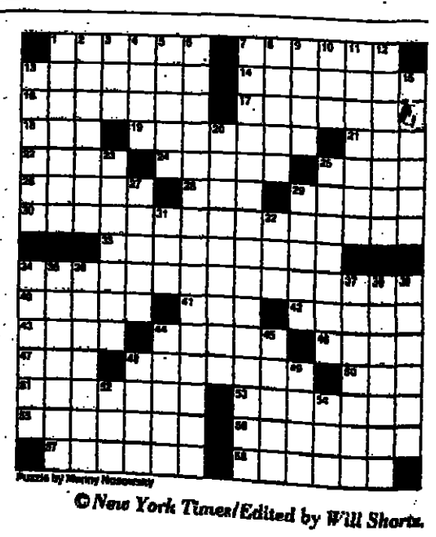

Puzzle by Manny Nosowsky

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هكذا من الأصل



# SPORTS

## Two Hapless Teams Win Big Ones

### *Raptors End 17-Game Losing Streak; Warriors Upset the Lakers*

*The Associated Press*

As he watched his team dig itself an 18-point hole, Darrell Walker insisted he wasn't thinking about an 18th straight loss.

"That usually doesn't bother us," the Raptors' coach said after Toronto roared back for a 104-97 victory over the Philadelphia 76ers on Wednesday night.

"We're always in the basketball game, even if we're down by 20."

Toronto ended a franchise-worst 17-game losing streak thanks to Walt Williams's 39 points, a season high for the Raptors.

In coming within a point of his career high, Williams also set a record for scoring by an opponent at the CoreStates Center in Philadelphia.

"I was feeling it tonight," Williams said. "I just felt real good."

The Raptors had not won since beating Golden State, 104-86, in their third game of the season Nov. 8.

"We won tonight and that is the bottom line, but it feels even better because we got this one on the road," Walker said.

John Wallace added 14 points for Toronto, Oliver Miller had 11 points and 11 rebounds, and Damon Stoudamire had 10 points and 14 assists.

The 76ers got 21 points from Allen Iverson and 19 from Jerry Stackhouse.

Philadelphia coach Larry Brown was ejected by referee Joe Crawford with 7:23 left in third quarter after complaining that Jim Jackson should have been called for goaltending.

**Warriors 93, Lakers 92** Golden State, playing its fourth game since the suspension of Latrell Sprewell, pulled off the upset of the night — and on national television, no less — by beating Los Angeles, 93-92.

"This is a new start, these guys are focused," Muggsy Bogues said in a jubilant Golden State locker room after the Warriors won for just the third time this season and handed the Lakers their fifth loss.

Joe Smith scored the final four points of the game, giving the Warriors a 93-92 lead with 1:31 left. Neither team scored again. The Lakers got the ball with 10.7 seconds left, but Nick Van Exel missed a jumper and Golden State rebounded.

**NBA Roundup**

Warriors players hugged and danced on the floor after the victory.

**Magic 106, Bulls 98** In Orlando, Rony Seikaly scored 24 of his 26 points in the second half, and the Magic improved to 8-1 without Penny Hardaway — a situation they will have to get used to.

Hardaway will be sidelined for about 10 weeks after undergoing arthroscopic surgery Wednesday.

"You have to give them credit," Michael Jordan said. "They are a scrappy team and they are doing what they have to do to win."

The Magic, who hadn't beaten the Bulls since Nov. 14, 1995, made 21 of 23 free throws in the fourth quarter. Horace Grant scored 15 points, and Bo Outlaw had 16 rebounds and five steals for Orlando.

**Cavaliers 102, Nuggets 83** Wesley Person scored 18 points, Shawn Kemp had 17, and Brevin Knight had 10 points, seven assists and three steals as host Cleveland won its ninth straight.

"Sometimes we have to pinch ourselves to see if this is really happening," team owner Gordon Gund said. "Or is it just a dream?"

The Cavs were set to try and extend the streak Thursday night at Milwaukee against former Cavaliers Terrell Brandon and Tyrone Hill, who were sent to the Bucks in the three-way trade with Seattle for Kemp.

**Spurs 102, Clippers 87** In San Antonio, David Robinson scored 30 points, and Avery Johnson had a career-high 20 assists — tying the National Basketball Association's single-game high for the season.

Vinny Del Negro added 22 points, Tim Duncan had 14 points, 12 rebounds and six blocked shots, and Robinson tied a franchise record by making 18 free throws.

**Hornets 104, Wizards 101** Several hours after Washington's Tracy Murray and Rod Strickland exchanged blows at the team hotel, the Wizards' four-game winning streak ended.

When the team bus arrived at the arena, Murray went directly to the Hornets' team physician, who used several stitches to close a cut under his left eye. Murray also had a large red scrape on his left upper arm when he came on the floor for the game, and Strickland had a long scratch on his left shoulder.

Coach Bernie Bickerstaff said after the game that he was unaware of the altercation. Murray dressed quickly and left the locker room without comment, and Strickland refused to confirm that the fight occurred.

It was uncertain what prompted the scuffle, but both players struggled in the game.

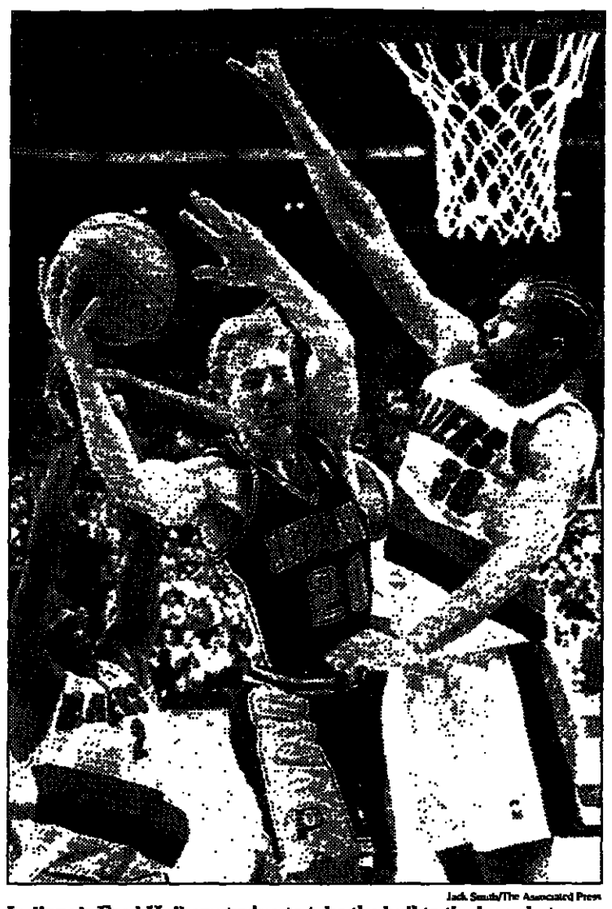
Strickland missed 11 of 14 field-goal attempts and wound up with 10 points, eight assists and four turnovers.

Murray was held to nine points one night after hitting seven 3-pointers in a 23-point outing in a victory over New Jersey. Glen Rice had 29 points and a decisive steal to help Charlotte win for the eighth time in 10 home games.

**Trail Blazers 93, Pacers 85** Rasheed Wallace took over in he fourth quarter at home in Portland, making all five of his field-goal attempts, three from long range, and scoring 10 points.

Kenny Anderson, who missed the last two games with a bruised thigh, scored 11 of his 12 points in the second half and had six assists.

**Celtics 96, Bucks 91** In Boston, Travis Knight had 13 points and 10 rebounds and Chauncey Billups had 21 points in his return to the starting lineup.



Jack Smith/The Associated Press

**Indiana's Fred Hoiberg trying to take the ball to the hoop between Portland defenders Stacey Augmon, left, and Rasheed Wallace.**

## Late Tip-In Saves A Kansas Streak

*The Associated Press*

Kansas' home winning streak survived — barely.

The third-ranked Jayhawks needed a tip-in with 20 seconds remaining to nip Massachusetts and extend their home winning streak to 50 games.

"They were ready to come in here and break the streak," said Raef LaFrentz, whose tip

**College Basketball**

gave Kansas a 73-71 victory. "But our team did a good job of rising to the occasion. It was definitely a war in there. It wasn't a game for the timid."

Kansas (10-1), which trailed most of the game, had to hold off the Minutemen in the final seconds as Charlton Clarke missed a 10-footer and Lari Ketner missed a tip-in as time ran out.

"They ran basically the same play that they had run the whole game," Kansas guard Ryan Robertson said. "It was an isolation to one side. We were fortunate we came away with a victory because it was a dangerous situation."

Clarke led UMass with 22 points.

**No. 1 Duke 94, Villanova 66** In Durham, North Carolina, Elton Brand scored 15 points, blocked four shots and had six rebounds, and five other Duke players scored in double figures as the Blue Devils improved their record to 9-0.

Malik Allen led Villanova (2-3) with 17 points.

Villanova trailed by 26 at halftime and got no closer than 24 in the second half.

**No. 4 Kentucky 81, Canisius 54** In Buffalo, New York, Jeff Sheppard matched a career high with 21 points, and Kentucky overwhelmed Canisius with its full-court defense.

Sheppard scored 10 points in the first six minutes of the second half as the Wildcats (7-1) rolled to their fifth straight victory.

Allen Edwards added 14 points for Kentucky, which went to its bench for most of the second half. Mike McCarthy and Jamie Cammaert each had nine points for Canisius.

**No. 9 Utah 71, Utah State 55** In Salt Lake City, Michael Doleac had a career-high 30 points, eight rebounds and four blocked shots to lead No. 9 Utah (8-0).

Kevin Rice led Utah State (5-3) with 17 points, while Andre Miller finished with 13 points and six assists for Utah.

**No. 13 Connecticut 74, Virginia 63** In Charlottesville, Virginia, Richard Hamilton scored 21 of his career-high 33 points in the second half. Hamilton was 11-of-18 from the field and 8-of-11 from the free-throw line.

Virginia (4-3) started slowly and never caught up. The Cavaliers had six turnovers and two airballs in the first five minutes and fell behind 12-4 after making only one of their first 14 shots.

Norman Nolan had 16 points and 11 rebounds for Virginia.

# SCOREBOARD

## BASKETBALL

### NBA Standings

**EASTERN CONFERENCE**

ATLANTIC DIVISION

| | W | L | Pct | GB |
|---|---|---|---|---|
| Miami | 14 | 5 | .737 | — |
| Orlando | 15 | 7 | .682 | ½ |
| New Jersey | 11 | 9 | .550 | 3½ |
| New York | 11 | 9 | .550 | 3½ |
| Washington | 9 | 12 | .429 | 6 |
| Boston | 8 | 11 | .421 | 6 |
| Philadelphia | 5 | 13 | .278 | 8½ |

CENTRAL DIVISION

| | | | | |
|---|---|---|---|---|
| Atlanta | 15 | 4 | .789 | — |
| Cleveland | 13 | 6 | .722 | 2 |
| Charlotte | 12 | 7 | .632 | 3 |
| Chicago | 12 | 8 | .600 | 3½ |
| Indiana | 11 | 8 | .579 | 4 |
| Milwaukee | 11 | 9 | .550 | 4½ |
| Detroit | 9 | 12 | .429 | 7 |
| Toronto | 2 | 19 | .095 | 14 |

**WESTERN CONFERENCE**

MIDWEST DIVISION

| | W | L | Pct | GB |
|---|---|---|---|---|
| Houston | 12 | 5 | .705 | — |
| Utah | 12 | 8 | .600 | 1½ |
| San Antonio | 11 | 10 | .524 | 3 |
| Minnesota | 8 | 11 | .421 | 5 |
| Vancouver | 7 | 14 | .333 | 7 |
| Dallas | 5 | 14 | .263 | 8 |
| Denver | 2 | 17 | .105 | 11 |

PACIFIC DIVISION

| | | | | |
|---|---|---|---|---|
| Seattle | 16 | 5 | .762 | — |
| L.A. Lakers | 15 | 5 | .750 | ½ |
| Phoenix | 12 | 5 | .706 | 2 |
| Portland | 13 | 6 | .684 | 2 |
| Sacramento | 7 | 14 | .333 | 9 |
| L.A. Clippers | 4 | 17 | .190 | 12 |
| Golden State | 3 | 15 | .167 | 11½ |

**WEDNESDAY'S RESULTS**

| | | | | |
|---|---|---|---|---|
| Milwaukee | 21 | 18 | 20 | 32— 91 |
| Boston | 26 | 22 | 29 | 19— 96 |

M: Allen 8-20 6-6 23, Brandon 6-13 5-6 17; B: Billups 4-13 10-12 21, Walker 9-17 0-1 19. Rebounds—Milwaukee 43 (Hill 16), Boston 54 (Knight 10). Assists—Milwaukee 20 (Allen 5), Boston 19 (Edney 5).

| | | | | |
|---|---|---|---|---|
| Toronto | 23 | 34 | 23 | 24—104 |
| Philadelphia | 28 | 16 | 15 | 28— 97 |

W.Williams 11-18 11-12 39, Wallace 6-16 2-2 14; P: Iverson 8-16 5-11 21, Stockhouse 7-14 4-5 19. Rebounds—Toronto 55 (Miller 11), Philadelphia 56 (Weatherspoon 11). Assists—Toronto 27 (Stoudamire 14), Philadelphia 25 (Jackson 8).

| | | | | |
|---|---|---|---|---|
| Chicago | 23 | 29 | 23 | 22— 98 |
| Orlando | 23 | 24 | 24 | 35—106 |

C: Jordan 6-17 13-13 25, Kukoc 10-18 1-2 24; O: Seikaly 5-14 16-17 26, Grant 7-15 3-3 17. Rebounds—Chicago 47 (Rodman 16), Orlando 54 (Outlaw 16). Assists—Chicago 27 (Kukoc 7), Orlando 15 (Wilkins, Armstrong 3).

| | | | | |
|---|---|---|---|---|
| Washington | 38 | 18 | 21 | 32—101 |
| Charlotte | 31 | 23 | 29 | 21—104 |

W: Erickles 8-11 4-5 24, Howard 8-16 7-7 23; C: Rice 10-15 7-7 29, Mason 8-13 2-2 18. Rebounds—Washington 54 (Davis 12), Charlotte 49 (Mason 10). Assists—Washington 21 (Strickland 8), Charlotte 27 (Curry 7).

| | | | | |
|---|---|---|---|---|
| Denver | 16 | 22 | 22 | 23— 83 |
| Cleveland | 28 | 22 | 25 | 27—102 |

D: Washington 6-14 4-6 19, Ellis 7-13 0-0 14; C: Person 7-14 1-2 18, Kemp 7-14 3-5 17. Rebounds—Denver 51 (Jackson 13), Cleveland 49 (Kemp 12). Assists—Denver 17 (Jackson 6), Cleveland 28 (Knight 7).

| | | | | |
|---|---|---|---|---|
| L.A. Lakers | 19 | 23 | 26 | 15— 83 |
| Golden State | 19 | 25 | 20 | 19— 93 |

L.A. LAKERS: Bryant 7-15 4-8 20, Campbell 6-18 7-9 19; G.S. Smith 9-17 9-10 27, Dampier 6-16 7-8 19. Rebounds—Los Angeles 54 (Campbell 9), Golden State 53 (Dampier 16). Assists—Los Angeles 21 (Van Exel 8), Golden State 26 (Coles 6 Bogues 6).

| | | | | |
|---|---|---|---|---|
| L.A. Clippers | 22 | 23 | 25 | 17— 87 |
| San Antonio | 34 | 23 | 18 | 27—102 |

L.A. CLIPPERS: Rogers 5-9 2-4 12, Piatkowski 4-8 0-0 11; S.A.: D.Robinson 6-12 18-20 30, Del Negro 8-14 5-5 22. Rebounds—Los Angeles 51 (Rogers 9), San Antonio 53 (Duncan 12). Assists—Los Angeles 18 (Martin 5), San Antonio 29 (Johnson 20).

| | | | | |
|---|---|---|---|---|
| Indiana | 19 | 19 | 20 | 17— 85 |
| Portland | 30 | 22 | 12 | 29— 93 |

I: Miller 4-10 7-10 16, Mullin 6-9 0-0 14, Smits 4-11 6-8 14; P: Rider 5-15 4-4 15, Wallace 6-8 2-2 14, Sabonis 5-11 2-2 14. Rebounds—Indiana 45 (D.Davis 12), Portland 50 (Trent 7). Assists—Indiana 21 (Jackson 9), Portland 18 (Rider 5).

### Major College Scores

Duke 94, Villanova 66
Kansas 73, Massachusetts 71
Kentucky 81, Canisius 54
Utah 71, Utah State 55
Connecticut 74, Virginia 63

### EuroLeague

GROUP B

Croatia Split 86, Estudiantes Madrid 69
Ankara 79, Porto 62

GROUP D

Alba Berlin 82, Olimpija Ljubljana 74

## ICE HOCKEY

### NHL Standings

**EASTERN CONFERENCE**

ATLANTIC DIVISION

| | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| New Jersey | 20 | 9 | 0 | 40 | 86 | 53 |
| Philadelphia | 15 | 9 | 6 | 36 | 84 | 70 |
| Washington | 15 | 11 | 5 | 35 | 93 | 83 |
| N.Y. Rangers | 9 | 13 | 11 | 29 | 84 | 91 |
| N.Y. Islanders | 12 | 14 | 4 | 28 | 80 | 82 |
| Florida | 10 | 15 | 5 | 25 | 75 | 89 |
| Tampa Bay | 5 | 20 | 4 | 14 | 54 | 98 |

NORTHEAST DIVISION

| | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Pittsburgh | 18 | 10 | 5 | 41 | 93 | 78 |
| Montreal | 18 | 10 | 4 | 40 | 98 | 76 |
| Boston | 13 | 12 | 5 | 31 | 74 | 79 |
| Ottawa | 13 | 13 | 4 | 30 | 78 | 72 |
| Carolina | 12 | 15 | 5 | 29 | 85 | 91 |
| Buffalo | 9 | 13 | 6 | 24 | 72 | 77 |

**WESTERN CONFERENCE**

CENTRAL DIVISION

| | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Dallas | 21 | 8 | 4 | 46 | 106 | 70 |
| Detroit | 19 | 7 | 5 | 43 | 105 | 74 |
| St. Louis | 19 | 10 | 3 | 41 | 97 | 73 |
| Phoenix | 13 | 14 | 4 | 30 | 83 | 87 |
| Chicago | 10 | 14 | 6 | 26 | 66 | 77 |
| Toronto | 10 | 14 | 5 | 25 | 65 | 78 |

PACIFIC DIVISION

| | W | L | T | Pts | GF | GA |
|---|---|---|---|---|---|---|
| Colorado | 16 | 7 | 9 | 41 | 96 | 81 |
| Los Angeles | 12 | 13 | 5 | 29 | 90 | 85 |
| Anaheim | 11 | 15 | 6 | 28 | 70 | 91 |
| Edmonton | 9 | 16 | 7 | 25 | 75 | 98 |
| San Jose | 10 | 18 | 3 | 23 | 79 | 96 |
| Calgary | 8 | 18 | 7 | 23 | 84 | 101 |
| Vancouver | 9 | 18 | 4 | 22 | 89 | 117 |

**WEDNESDAY'S RESULTS**

| | | | |
|---|---|---|---|
| Florida | 0 | 3 | 2—5 |
| Carolina | 0 | 2 | 0—2 |

1st Period: None. 2d Period: Carolina, Emerson 9, 2, F-Whitney 9 (Dvorak, Larus) 3, F-Svehla 4 (Fitzgerald, Warriner) 4, Carolina, Brown 3 (Sanderson, Dineen) (pp). 5, F-Mellanby 6 (Svehla, Whitney) (pp). 3d Period: F-Sheppard 7 (Svehla, Mellanby) 7, F-Muller 1 (Gagner, Dvorak) (en). Shots on goal: F- 6-11-7—24. Carolina 10-7-6—23. Goalies: F-Vanbiesbrouck. Carolina, Burke.

| | | | |
|---|---|---|---|
| St. Louis | 2 | 1 | 0 | 0—3 |
| Montreal | 0 | 0 | 3 | 1—4 |

1st Period: S.L.-Turgeon 2 (Duchesne) 2, St. Louis, Campbell 8 (Courtnall, Turgeon) 2d Period: S.L.-Yake 4 (Kenady) 3d Period: M-Manson 3 (Bure, Rucinsky) 5, M-Gelinas 4 (Damphousse, Rucinsky) 6, M-, Koivu 8 (Recchi, Carson) Overtime: 7, M-Damphousse 9 (Rucinsky). Shots on goal: S.L.- 13-9-3-0—25. M- 3-8-13-1—25. Goalies: S.L.-Fuhr. M-Moog.

| | | | | |
|---|---|---|---|---|
| Calgary | 1 | 1 | 2 | 4 |
| N.Y. Rangers | 0 | 0 | 1 | 1 |

1st Period: C-Hoglund 4, 2d Period: C-Fleury 11 (Nylander, Titov) 3d Period: C-Dingman 3 (Ward) 4, N.Y.-Graves 8 (Sweeney, LaFontaine) (pp). 5, C-Fleury 12, (en). Shots on goal: C- 6-5-7—18. N.Y.-4-15-12—31. Goalies: C-Tabaracci. N.Y.-Richter.

| | | | | |
|---|---|---|---|---|
| Edmonton | 0 | 1 | 1 | 2 |
| New Jersey | 1 | 1 | 2 | 4 |

1st Period: N.J.-Andreychuk 4 (Guerin, Holik) 2d Period: N.J.-Elias 11 (Gilmour, McKay) 3, E-Smyth 11 (McGillis) (pp). 3d Period: N.J.-Holik 15 (Niedermayer) (pp). 5, E-Hudby 2 (Watt, Murray) 6, N.J.-Ralston 4 (Stevens, Dunham) (en). Shots on goal: E-11-11-7—29. N.J.- 13-10-7—30. Goalies: E-Joseph. N.J.-Dunham.

| | | | | |
|---|---|---|---|---|
| Colorado | 1 | 1 | 0 | 0—2 |
| Toronto | 1 | 0 | 1 | 0—2 |

1st Period: C-Corbet 7 (Foote, Deadmarsh) 2, T-Korolev 11 (Sundin, Johnson) 2d Period: C-Yelle 4 (Odgers, Krupp) 3d Period: T-Domi 2 (McCauley, Clark) Overtime: None. Shots on goal: C- 3-7-8-1—19. T- 17-11-20-5—53. Goalies: C-Roy. T-Potvin.

| | | | | |
|---|---|---|---|---|
| Phoenix | 0 | 2 | 1 | 0—3 |
| Chicago | 2 | 0 | 1 | 0—3 |

1st Period: C-Moreau 4 (Daze, Welnrich) 2, C-Amonte 11 (Zhamnov, Chellos) (pp). 2d Period: Phoenix, Tocchet 11 (Quint, Roenick) (pp). 4, Phoenix, More 3 (Kilger, Tkachuk) 3d Period: C-Amonte 12 (Krivokrasov, Sykora) 6, Phoenix, Tkachuk 17 (Numminen, Petit) (pp). Overtime: None. Shots on goal: Phoenix 11-13-11-3—38. C- 9-9-8-2—28. Goalies: Phoenix, Khabibulin, Waite. C-Hackett.

| | | | | |
|---|---|---|---|---|
| Tampa Bay | 0 | 0 | 0 | 0 |
| Dallas | 1 | 0 | 2 | 3 |

1st Period: D-Nieuwendyk 16 (Zubov, Adams) (pp). 2d Period: None. 3d Period: D-Zubov 4 (Lehtinen, Langenbrunner) 3, D-Adams 6 (Chambers) (en). Shots on goal: T-4-5-3—12. D- 9-8-10—27. Goalies: T-Puppa. D-Belfour.

| | | | | |
|---|---|---|---|---|
| Washington | 1 | 0 | 2 | 0—3 |
| San Jose | 1 | 1 | 1 | 0—3 |

1st Period: W-Johansson 10 (Toms) (sh). 2, S.J.-Marleau 5 (Matteau, Lowry) 2d Period: S.J.-Friesen 13 (Ricci) 3d Period: W-Juneau 5 (Housley, Cote) 5, S.J.-Sturm 7 (Nicholls, Craven) 6, W-Bondra 20 (Juneau, Oates) (pp). Overtime: None. Shots on goal: W- 6-6-9-1—22. S.J.- 11-11-9-0—31. Goalies: W-Kolzig. S.J.-Vernon.

| | | | | |
|---|---|---|---|---|
| Pittsburgh | 2 | 0 | 1 | 3 |
| Anaheim | 0 | 0 | 0 | 0 |

1st Period: P-Jagr 14, 2, P-Jagr 15 (Brown, Francis) (pp). 2d Period: None. 3d Period: P-Dome 1 (Straka) Shots on goal: P- 11-4-8—23. A- 9-11-8—28. Goalies: P-Barrasso. A-Shtalenkov.

## CRICKET

**LIMITED OVERS WORLD SERIES**

SOUTH AFRICA V.S. NEW ZEALAND

THURSDAY IN HOBART, AUSTRALIA

South Africa: 174 for nine in 50 overs
New Zealand: 173 for seven in 50 overs.
South Africa won by one run.

STANDINGS: South Africa 6 points; New Zealand 2; Australia 2.

**CHAMPIONS' TROPHY**

ENGLAND VS. INDIA

THURSDAY IN SHARJAH, UAE

England: 250 all out in 49.5 overs
India: 243 all out in 49.3 overs.
England won by seven runs.

**TEST MATCHES WORLD RANKINGS**

STANDINGS: Australia 22 points; South Africa 18; West Indies 17; equal. India 15; equal. Pakistan 14; Sri Lanka 13; England 11; Zimbabwe 5; New Zealand 7.

Standings works by taking account of test series between teams since 1990.

## SOCCER

### Champions' League

GROUP A

Sparta Prague 0, Borussia Dortmund 3
Galatasaray 1, Parma 1

STANDINGS: Borussia Dort. 15 points; Parma 9; Sparta 5; Galatasaray 4.

GROUP B

Kosice 0, Feyenoord 1
Juventus 1, Manchester United 0

STANDINGS: Manchester United 15 points; Juventus 12; Feyenoord 9; Kosice 0.

GROUP C

PSV Eindhoven 2, Barcelona 2
Newcastle United 2, Dynamo Kiev 0

STANDINGS:
Dynamo Kiev 11 points; PSV Eindhoven 9; Newcastle United 7; Barcelona 5.

GROUP D

Real Madrid 4, Porto 0
Olympiakos 2, Rosenborg 2

STANDINGS: Real Madrid 13 points; Rosenborg Trondheim 11; Olympiakos 5; Porto 4.

GROUP E

Bayern Munich 8, IFK Gothenburg 1
Paris St Germain 2, Besiktas 1

STANDINGS: Bayern Munich 12 points; PSG 12; Besiktas 6; Gothenburg 6.

GROUP F

Sporting Lisbon 2, Lierse 1
Bayer Leverkusen 2, Monaco 2

STANDINGS: Monaco 13 points; Bayer Leverkusen 13; Sporting Lisbon 7; Lierse 1.

QUALIFIED FOR QUARTERFINALS:

Borussia Dortmund, Manchester United, Dynamo Kiev, Real Madrid, Bayern Munich, Monaco, Juventus, Bayer Leverkusen.

The quarterfinal draw will be made on Dec. 17. Two-legged quarterfinals will be played on March 4 and 18, 1998. Group winners and runners-up from same group will not be drawn together, nor will two runners-up, who will play their first leg games at home.

## TRANSITIONS

**BASEBALL**

AMERICAN LEAGUE

CHICAGO—Agreed to terms with C Charlie O'Brien on 2-year contract and C Chad Kreuter on 1-year contract. Designated RHP Al Levine and LHP Larry Thomas for assignment. Named Wallace Johnson third base coach.

NEW YORK—Agreed to terms with DH Chili Davis on 2-year contract.

TAMPA BAY—Named Harvey Dorfman instructor and counselor.

NATIONAL LEAGUE

COLORADO—Acquired OF Curtis Goodwin from Cincinnati for RHP Mark Hutton.

MONTREAL—Traded RHP Dave Veres and a player to be named to Colorado for OF Terry Jones and a player to be named.

PITTSBURGH—Agreed to terms with LHP Jeff Tabaka on 1-year contract.

**BASKETBALL**

NATIONAL BASKETBALL ASSOCIATION

BOSTON—Put G Dee Brown on injured list. Activated F Dontae Jones from injured list.

CLEVELAND—Signed Wayne Embry, general manager, to 2-year contract extension through the 1999-2000 season.

ORLANDO—Put G Penny Hardaway and G Nick Anderson on injured list and activated C Jason Lawson from ill. Signed G Carl Thomas.

**FOOTBALL**

NATIONAL FOOTBALL LEAGUE

CAROLINA—Put TE Walter Rasby on injured reserve. Signed LB Myron Baker. Signed TE Bill Khayat to practice squad.

CHICAGO—Put RB Raymont Harris on injured reserve. Waived G Evan Pilgrim. Signed RB Ronnie Harmon. Signed RB Michael Hicks off practice squad and RB James Allen off Philadelphia practice squad.

DENVER—Signed WR Sir Mowm Wilson from practice squad. Released WR David Gamble.

JACKSONVILLE—Signed G Mark Nori off Pittsburgh Steelers practice squad.

KANSAS CITY—Signed DT Ty Parten to 2-year contract.

MIAMI—Released G Keith Sims. Put TE Frank Wainright on injured reserve. Signed CB Denoose Mosley from practice squad and S Brian Walker.

NY JETS—Signed T John Clark. Waived DT Ronnie Dixon.

SAN DIEGO—Signed WR Anthony Rodgers.

SEATTLE—Claimed LB Darryl Hardy off waivers from Dallas. Put DT Cortez Kennedy on injured reserve.

TAMPA BAY—Signed TE Andrew Jordan. Waived WR Brice Hunter. Signed FB Steve Lee to practice squad.

**COLLEGE**

ARKANSAS—Named Houston Nutt football coach.

BOISE STATE—Named Dirk Koetter football coach.

MOREHEAD STATE—Extended contract of Matt Ballard, football coach, through 2002 season.

NEBRASKA—Announced retirement of Tom Osborne, football coach. Named Frank Solich football coach.

NORTH CAROLINA-GREENSBORO—Announced G Joseph Pryor left basketball team.


NBA announcement:

Official complete-game videos of NBA games are available by priority mail anywhere in the world. Four-hour videos cover the best two games of your favorite team, week after week, throughout the season.

Quality and personal service. 20 games of your team on 10 weekly videos, anywhere in the world: $160. Special Offer this week: First video FREE! Guaranteed. All Credit Cards.

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DENNIS THE MENACE

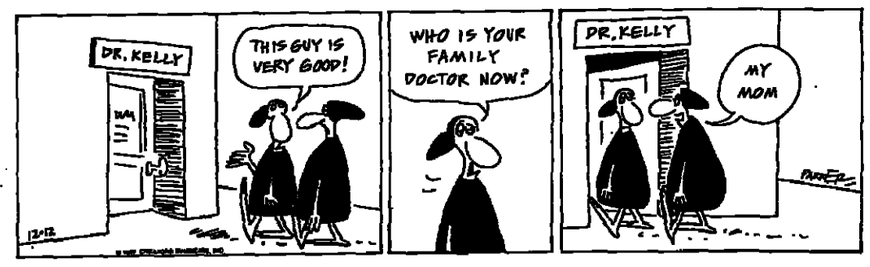
"BUT WHERE IS THE CORNER THAT CHRISTMAS IS JUST AROUND?"

PEANUTS

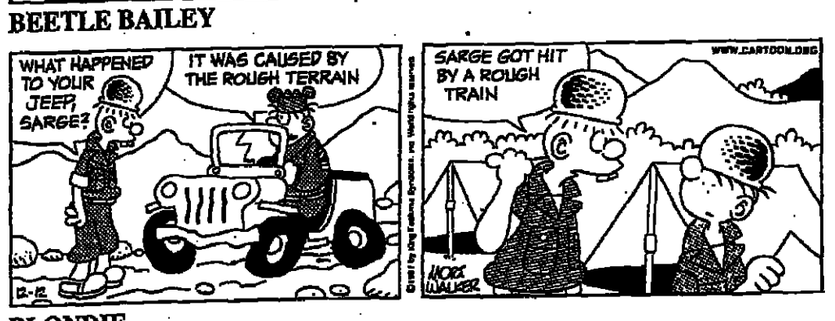
CALVIN AND HOBBES

GARFIELD

WIZARD of ID




BEETLE BAILEY

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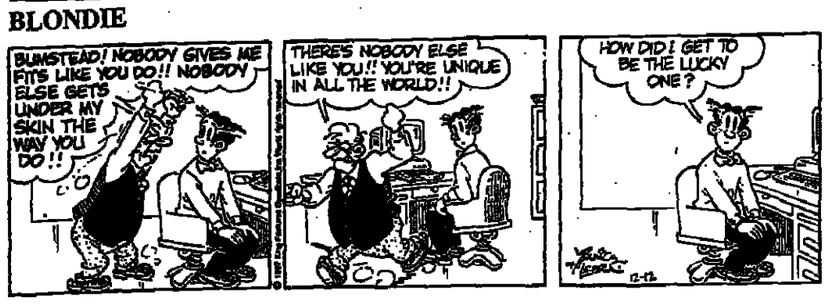


JUMBLE.

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

PIMBL
HOPOW
IMMORE
AMRUTE

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ____ ____ AT THE ____ ____ ____

(Answers tomorrow)

Yesterday's Jumbles: PYLON AUDIT DUTIFUL PITFUL
Answer: What the muscle man considered his victory — UPLIFTING


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## POSTCARD

# *Stars' Cemetery Saved*

By Todd S. Purdum
*New York Times Service*

LOS ANGELES — In the sunken gardens and weather-beaten marble mausoleums of Hollywood Memorial Park Cemetery, the ghosts of the great ones linger: Cecil B. DeMille, Tyrone Power, Rudolph Valentino, Douglas Fairbanks Sr. and even Mel Blanc, the inimitable voice of Porky Pig, whose headstone proclaims with wry finality, "That's All Folks."

But the 100-year-old cemetery in the heart of old Hollywood, so close to the backlot of Paramount Studios that the brownstone facades of its "New York street" peep over the rear wall, fell into bankruptcy nearly two years ago, a casualty of aging and inattentive owners. Buildings shaken by the 1994 Northridge earthquake went unrepaired, broken stained-glass windows went unreplaced and water seeped into crypts in the shadow of the famous Hollywood sign.

Things got so bad that the state of California even revoked the cemetery's license to sell its remaining plots, and no buyers wanted the headaches of fixing the place. The only bidder at a public auction last month offered just over half the $500,000 asking price of the bank that holds the mortgage, and a court-appointed trustee sought permission to padlock the gates and abandon the graves to the fates.

But Wednesday, at a hearing in U.S. Bankruptcy Court that could have been directed by Frank Capra (who is not buried at Hollywood Memorial), a new buyer stepped forward and a Hollywood ending seemed all but assured. Judge Thomas B. Donovan approved the sale of the cemetery for $375,000 to Calanan Mortuary, an 85-year-old local Hollywood funeral home whose owners vowed to take good care of the legacy.

Some state historic preservation money may be available to restore vintage buildings, and a $2.5 million maintenance endowment generates more than $150,000 a year in income that can be used on upkeep, but that is barely enough to get by.

The reflecting pool in front of Fairbanks's tomb, where the silent-screen swashbuckler's profile appears in bronze bas-relief, is muddy and stagnant and waterlilies struggle to grow. A couple of stands of bedraggled begonias surround the white marble bench that doubles as Power's headstone, engraved, like Fairbanks's, with the "Good night, sweet prince" soliloquy from "Hamlet."

□

Yet unlike the other great Hollywood celebrities' cemetery, Forest Lawn Memorial Park in Glendale, where the Great Mausoleum is guarded and off-limits to the merely curious, Hollywood Memorial is open daily, and tourists armed with a free map available at the gate can trace the footsteps of the mysterious "Lady in Black" who used to leave a single flower in the bronze vase beside Valentino's crypt, No. 1205 in the grand Cathedral Mausoleum by the lake. Across the hall, a bronze plaque marks the crypt of Peter Finch, "distinguished actor, loving husband and father."

"Nine million tourists come to Hollywood each year because they want to experience the place where movie stars lived and worked and played and died," said Leron Gubler, the executive director of the Hollywood Chamber of Commerce. "This is the real thing, this is our heritage, this is history."

# After 80 Years, Czar Is Still a Divisive Force

By Daniel Williams
*Washington Post Service*

Russia's last imperial family: Nicholas II and Empress Alexandra and their children.

YEKATERINBURG, Russia — Early this month, a train arrived at the central railway station here pulling a green, armored wagon containing several heavy safes and some medical equipment. The special car was sent by President Boris Yeltsin to carry to Moscow the bones of the murdered Czar Nicholas II, his wife, Alexandra, and their children, family physician and servants.

The return trip was meant to open the last act in one of Russia's most mysterious and painful historical sagas, that of the imprisonment, execution, secret burial, discovery, identification and, finally, reburial of the Romanovs, the country's last imperial family.

But local officials refuse to give up the remains. Last week, after much negotiation and the hurling of insults between Moscow and Yekaterinburg authorities, the train left bearing only a kind of consolation prize: the bones of Anna Demidova, Alexandra's loyal lady-in-waiting.

The tug-of-war adds yet one more indignity to the many visited on the family, which in their last moments of life suffered pitiless torment in the basement of an Yekaterinburg mansion. One Moscow author described the current treatment as "the second murder of the Romanovs." Nearly 80 years after his death, it's as if Nicholas II still incites the passions that helped fuel the Russian Revolution and led to his death. Or perhaps Russia, despite vast dislocations, wars and revival, is at heart the same paradoxical country that Nicholas ruled over: suspicious and faithful, superstitious and scientific, cruel and kind, petty and grand all at the same time. For six years the nine skeletons have been examined for authenticity, and dates for a royal burial have been set and discarded repeatedly.

Three independent examinations have matched genetic material from Nicholas's bones with DNA from distant relatives. Other tests prove that the bones of Nicholas and four of the other skeletons are related. Examinations by various forensic experts indicate that those are the remains of Alexandra and daughters Tatiana, Olga and Anastasia. The bodies of daughter Marie and Alexei, Nicholas's son and heir to the throne, are believed to have been burned by the assassins. The other remains are identified as those of Demidova, the physician Eugene Botkin, a cook named Ivan Kharitonov and Alouzy Trupp, Nicholas's valet.

Heavy circumstantial evidence also points to authenticity. Notes attributed to the chief assassin, Yakov Yurovsky, describe a country road topped by railroad ties. The skeletons were found in such a place. Bullets, crushed skulls and jaws attest to brutal murders.

What are the chances that a group of skeletons linked genetically to the royalty of Europe could appear in a mass grave near Yekaterinburg and not be the Romanovs?

"All the scientific tests have been done," said Alexander Avdonin, a geologist and amateur historian who was part of a team that discovered the remains. "It is immoral that in six years they have not yet been buried. We should now act as morally as possible and do everything possible to bring Russia to peace. We should bury them. Let's not sin further."

But some Russians suspect that the bones are not authentic — a belief that seems to be a holdover from years of official deceit. A host of old preoccupations, even obsessions, also delay final certification. Russians are still debating the czar's place in history, and this affects plans for how the czar ought to be buried.

Plus, the far-flung Romanov family is divided over whether the remains are Nicholas's and, if they are, how they ought to be buried. Some think the royal family and its servants ought to be interred in separate places for class reasons.

And, of course, there's the question of money. Whoever gets control of the czar's remains obtains an instant tourist and pilgrim attraction. So officials in Yekaterinburg, Moscow and St. Petersburg, the czarist capital, vie for the privilege.

The Yeltsin government wants a March burial. But first, it has agreed to settle some questions put to it by the Russian Orthodox Church, as well as by authorities in Yekaterinburg. These are scheduled to be answered fully by Jan. 15, when a report will be presented to Yeltsin.

"We thought that our current high authorities long ago shook off the medieval dust they inherited from their predecessors, but no," wrote Komsomolskaya Pravda. "The barbarian dances that high-placed politicians organized on the bones of Nicholas II and his family testify to the contrary."

Yekaterinburg is a snowy town in the southern Ural Mountains, where Europe meets Asia. Until the murder of the royal family, its fame lay in its coal and mineral wealth, its heavy industry and its origins as one of two cities founded by Peter the Great. (The other, St. Petersburg, was named for his patron saint; he named Yekaterinburg for his wife.)

Ornate pastel mansions attest to Yekaterinburg's prerevolutionary wealth. Its broad boulevards and acres of boxy workers' apartment houses reflect its Soviet past. Then, the city was renamed after Yakov Sverdlov, who informed Lenin of the czar's execution. The region is still called Sverdlovsk.

Avdonin, the geologist, acknowledges being fascinated by the Romanovs' fate since early youth. He spent many years informally investigating their whereabouts before finally finding the location in 1979. (He kept the whereabouts secret until 1991, after a fellow discoverer spilled the news in a magazine.)

Avdonin suspects that Moscow wants the bones for some "political reason." "They are too fragile to move around. They have been buried under a road for 80 years, cars have run over them. Some of them are like lace," he said.

If the remains are recognized as the czar's they should be buried in St. Petersburg, he said. They should all, royals and commoners alike, be buried together.

Last week, Avdonin appeared on a television call-in show and fielded questions about the czar. Some of the callers seemed fed up with the discussion.

What is more important, the czar's bones or the dead and missing soldiers in Chechnya? one inquired. How many were killed by Nicholas II in World War I? Pensions are not being paid, so why should we spend money on this matter?

Avdonin replied, "It is said that the war is only finished when the last soldier is buried. But we haven't even buried the first victim."

## MUSICALS

# 'Ragtime,' Capturing the Music of Doctorow's Words

By Rick Lyman
*New York Times Service*

NEW YORK — E. L. Doctorow never had much use for musicals. "I like 'Guys and Dolls,'" he said after some consideration. "But as a form, I always thought it tended to be a repository of stock sentiments. I was never taken with the possibilities."

Then, a few years ago, the producer Garth Drabinsky approached him and asked about mounting a $10 million musical based on Doctorow's most popular novel, "Ragtime," a turn-of-the-century epic mixing historical figures with fictional archetypes that pulsed with the rhythm of a Scott Joplin rag.

"I can see now, as a result of this experience, that it is a very powerful medium," he said. "It creates very strong feelings and illumination."

As he spoke, Doctorow played absentmindedly with the foam clinging to the side of his cappuccino cup in a café around the corner from his Greenwich Village home. His conversation is sculpted. He speaks in a soft, slow cadence, pausing frequently to form whole sentences in his mind and then letting them flow out, calmly, fully formed.

"The presumption that someone in my trade makes is that the language is the music," Doctorow said. "When you write a book, it's living in the language of the book and there's no way out except through the last sentence."

Yet when Drabinsky approached him, Doctorow remembered occasions when he had read passages from "Ragtime" to musical accompaniment. "I would occasionally do readings that involved musicians, programs with excerpts from the book punctuated by musical interludes," he said. It was not exactly a Broadway musical, but he thought he could see, from that, how the addition of music might contribute to the impact of the words.

So he decided to go along with it. "I had approval rights over the creative team," Doctorow said. "But the truth is, I never really had to exercise it. All of Garth's choices were impeccable."

Sara Krulwich/The New York Times

Doctorow at a rehearsal of the musical: "A very powerful medium."

Terrence McNally, last seen on Broadway with "Master Class," wrote the book. The composer Stephen Flaherty and the lyricist Lynn Ahrens, the team behind "Once on This Island," wrote the songs; Graciela Daniele ("Chronicle of a Death Foretold") was hired to choreograph and Frank Galati ("Grapes of Wrath") to direct.

"From the very beginning, I found myself trusting the people involved," he said. "I still trust them. I trust their dedication to the project."

The first reading, Doctorow said, was two years ago in Toronto, headquarters for Livent Inc., the production company headed by Drabinsky. "It caught the spirit of the piece," Doctorow said. "The lyrics were very precise and had just that right combination of wit and compassion. It reflected the atmosphere of the book so well."

That reading, and a subsequent workshop in Toronto, began an unusually close relationship between author and adapters that has stretched across two years and, Doctorow added, "countless meetings and notes from me."

He met with the creative team, he said, and sat in on the readings and the workshops, offering written comments after each one and haggling over little bits of business. He also saw several performances, passing along his impressions and suggestions, sometimes about the way a character was handled, sometimes about the music or the staging or the use of a certain song.

Generally, he said, he liked to let the creative team do its work, but sometimes he felt particularly strongly on a certain point and pushed a little harder. "Oh, there may have been a testy moment or two," he said, but generally it went smoothly. One particular battle, over a song that Doctorow didn't think fitted into the show, was settled in his favor, he said, but he didn't win them all.

Now, he is happy to say, the process is just about over. "Ragtime," which has been performed in Toronto and Los Angeles on its way to Broadway, will begin previews on Dec. 26 and open Jan. 18 at the brand new Ford Center for the Performing Arts, part of the redeveloped 42d Street.

"I think I have probably given my last notes," he said. "There are a couple of points still up for final decision that I weighed in on, and I think that will be it."

Doctorow was already a widely admired novelist 22 years ago when "Ragtime" was released and became a huge best-seller, transforming him into one of the most celebrated serious American writers.

"Ragtime," spanning the first decade and a half of the century and connecting the Victorian world with the outbreak of World War I, wove together the stories of people from three families: Coalhouse Walker, the black pianist who wages a tragic battle for dignity; Tateh, the Russian Jewish immigrant who finds the American dream in the world of movie making; and the upper-middle-class Westchester County family known only as Father, Mother and Son.

Although the technique has been used often since, at the time it was still somewhat strange to read a novel that mixed fictional characters with historical ones in the way Doctorow did. Besides the fictional trio of story lines, "Ragtime" included extensive scenes involving Harry Houdini, Emma Goldman, J.P. Morgan, Henry Ford, Sigmund Freud and the era's most notorious beauty, Evelyn Nesbitt.

"That was one of the things I was trying to capture in my writing at the time, what I saw as this growing preoccupation in the culture with documentary reality," Doctorow said. "I thought, O.K., they want facts, I'll give them the best facts I can dream up."

## PEOPLE

THE first lady abruptly left the exclusive University Club in Manhattan after a club official ordered a gossip columnist who was with her to leave, the New York Post reported. The columnist, **Cindy Adams**, said that she, **Hillary Rodham Clinton** and some aides were having a private get-together in a "far corner" of the building, after Clinton had given a speech in a banquet room. Adams apparently had earlier angered a club official by making a cellular phone call. She said the man rebuked her over the call, saying it was against club rules, then returned minutes later and said, "This is not acceptable behavior. You will have to leave." Adams said that Clinton stood up abruptly and said, "Let's go." She said she had put her phone away before Clinton arrived and wasn't sure what had angered the man the second time.

□

**William Shakespeare's** deed for land outside Stratford-upon-Avon was pulled from a Sotheby's auction in London after it failed to draw a minimum bid. No one met the minimum asking price of $412,500, the auction house said. The deed stems from Shakespeare's purchase in 1602 of 107 acres (43 hectares) of land near his hometown, Stratford-upon-Avon. He paid £320.

□

**Leonard Bernstein's** autographed "B-52" fetched $387,500 at auction, far exceeding estimates. The piano, bought by the maestro in Europe in the 1980s and signed inside in black marker, was bought by an American doctor. Sotheby's expected the Boesendorfer Ebonized Semi-Concert Grand Piano to bring about $80,000. Proceeds from the two-day auction of his personal effects will benefit an arts program he founded.

□

**Robert Carlyle**, star of the "The Full Monty" and "Trainspotting," is getting married, according to press reports Thursday. **Alan Watt**, a minister in Dornoch in northeast Scotland, said he had spoken with Carlyle and his girlfriend, **Anastasia Shirley**, about their wedding plans. He wouldn't go into any details.

□

**Charles Moffett**, director of the Phillips Collection in Washington, will leave his post in April to become co-chairman of Impressionist and Modern Art worldwide at Sotheby's auction house in New York.

Jack Gurr/Agence France-Presse

Wajda and Marceau at reception.

□

The Polish film director **Andrzej Wajda** was inducted into the Academie des Beaux-Arts at the Institut de France in Paris, and afterward chatted at a reception in his honor with fellow academician, the French mime **Marcel Marceau**. Wajda's directing credits include "Man of Iron" and "Danton."

□

**Clint Eastwood** is the most popular movie star in the United States, according to a Harris poll. **Mel Gibson** is second, followed by **Tom Cruise**, **John Wayne** and **Harrison Ford**. The top-ranking woman was **Demi Moore** at No. 22.

□

**Rembrandt's** home and art studio in Amsterdam will be restored to its original 17th-century style, the Rembrandt House Museum said Thursday. It will be refurbished to the way it was when the Dutch master lived and worked there between 1639 and 1658.

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| Germany | 0130-0010 |
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| Italy● | 172-1011 |
| Netherlands● | 0800-022-9111 |
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| United Kingdom▲ | 0500-89-0011 |
| | 0800-89-0011 |
| **MIDDLE EAST** | |
| Egypt●(Cairo)◊ | 510-0200 |
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